

**THE  
TENNIS & RACKETS  
ASSOCIATION  
LIMITED**

**Company No. 07819045  
Charity No. 1167866**

**Trustees' Report and Consolidated Financial Statements**

**For the year ended 30 June 2019**

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## THE TENNIS & RACKETS ASSOCIATION LIMITED

### LEGAL AND ADMINISTRATIVE DATA AT 30 JUNE 2019

#### TRUSTEES

David K Watson (Chairman)  
The Hon James H M Bruce (until 2 Jun 19)  
James R Coyne  
Richard A Dalzell (Treasurer until 14 Nov 18)  
Mark K M Farmiloe (from 14 Nov 18)  
Charles J Foreman  
Mrs Alexandra J Garside (until 2 Jun 19)  
Alan C B Giddins  
Ms Kathryn J Leppard (from 2 Jun 19)  
William J Maltby  
Patrick R V Maxwell (until 14 Nov 18)  
Andrew C Power (Treasurer from 06 Feb 19)  
Fred C Satow  
Christopher Vigrass

#### COMPANY SECRETARY

Christopher S Davies

#### COMPANY NUMBER

07819045

#### CHARITY NUMBER

1167866

#### REGISTERED ADDRESS

c/o The Queen's Club  
Palliser Road  
West Kensington, London W14 9EQ

#### PORTFOLIO MANAGERS

Smith & Williamson Investment Management Limited  
25 Moorgate, London EC2R 6AY

#### INDEPENDENT EXAMINER

Haysmacintyre LLP  
10 Queen Street Place, London EC4R 1AG

#### BANKERS

Cater Allen Private Bank  
9 Nelson Street, Bradford BD1 5AN

# **THE TENNIS & RACKETS ASSOCIATION LIMITED (T&RA)**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2019**

### **Introduction**

The Tennis & Rackets Association Limited (T&RA) was incorporated on 1 January 2013 and is registered as a company limited by guarantee. Following consultation with the members and approval from the Charity Commission, the Company was granted charitable status on 27 June 2016. The Charity Commission approved the linking of the T&RA's original charitable arm, the Dick Bridgeman TRA Foundation (DBTRAF) to the main charity on 23 May 2019.

The charity is governed by its Board of Trustees. Members of the Board are the Directors of the Company and the Trustees of the Charity. The Trustees present their Report together with the Financial Statements for the year ended 30 June 2019.

### **Objectives and Activities**

The T&RA's objects are specifically related to the advancement of amateur sport for the benefit of the public; these objects are achieved through such means as the Trustees think fit including but not limited to:

- Broadening the appeal of Tennis and Rackets across age groups and genders to encourage greater participation, particularly by the young and under-represented groups;
- Supporting the recruitment and training of coaches through, amongst other means, professional development programmes and schemes; and
- Providing grants or loans to clubs, schools and universities to assist in the provision of facilities for Tennis and Rackets, both for new courts and for the improvement of existing facilities.

The activities of the T&RA are funded via membership subscriptions, donations and sponsorship. In addition to the key activities mentioned above, the T&RA is also engaged in:

- Acting as the governing body for Tennis and Rackets in the United Kingdom;
- Maintaining the rules and standards of the games and acting as custodian of their history and traditions;
- Maintaining the handicap system (Tennis) and ranking system (Rackets);
- Organising and coordinating national fixtures for men and women of all ages, amateur and professional, level and handicap events;
- Communicating with members and other interested parties via the Annual Report, interim newsletters, the website, social media networking and e-communications;
- Providing public liability insurance for members as well as group insurance for clubs and schools;
- Coordinating policy and advice for health & safety and child protection, including safeguarding;
- Organising and providing financial support for specialist programmes such as the Junior Academy, British Academy and Development Squads (Tennis) and Regional Development Squads (Rackets); and
- Developing the capability to record and distribute major events using digital technology enabling enthusiasts to view matches remotely.

### **Values**

The T&RA is committed to work for the benefit of all participants in the sports, at any level.

The T&RA adopts a collaborative, consultative, inclusive, transparent and open approach to the running of the organisation and strives to communicate effectively at all times. Acting with respect, integrity and professionalism, while delivering the highest standards of service for all members, is at the heart of everything that the T&RA strives to achieve.

The T&RA is accountable to its membership at all times. Major decisions affecting the membership will be consulted on and approved by members at the Annual General Meeting.

### **Achievements and Performance**

**Tennis.** Rob Fahey continued his remarkable career by winning the British Open Singles and Doubles, partnered by Nick Howell. The Bathurst Cup Team shared the honours in the Amateur Championships with Jamie Douglas winning the Amateur Championship and Ed Kay and Jamie Giddins won the Amateur Doubles. The team then flew to Chicago and

returned with the Bathurst Cup, defeating France 4-1 in the final. Not to be out done, the British Masters teams retained the Cockram and won back the Bostwick and Danby Trophies, a fine clean sweep from their venture across the Atlantic. Rob Shenkman and Freddie Bristowe won the Under 24 and 21 Opens respectively, and then found themselves competing in the end-of-season Van Alen Clothier Limb Trophies at Manchester, the US eventually coming out on top in two of the three events, with the British winning the other. Special mention to Peter Wright who won his tenth Over 40 Championship in eleven years! Claire Fahey continued her dominance of Ladies Tennis, winning the British Open Singles and Doubles (with sister, Sarah Shuckburgh) and then teamed up with Tara Lumley to win the World Doubles. Lea Van der Zwalmen continued to improve her handicap and reached the semi-finals of the Amateur Doubles (with partner Tom Bomford); Claire being the last lady to reach this stage in the competition.

**Rackets.** Change is afoot in the Rackets world as the 11-year reign of World Champion, Jamie Stout, draws to a close following his decision not to defend his title. Tom Billings, who has completed another fine season winning the British Open and Amateur Championship, stands ready to step up. However, he must fend off the not inconsiderable threat of Alex Duncliffe-Vines, who staged a remarkable comeback in the two-legged Eliminator, overturning a 1-4 deficit in the first leg. Jamie Stout and Jonathan Larken successfully defended their World Doubles crown in November, beating Tom Billings and Richard Owen who, in turn, defended their British Open Doubles title in April. Rory Giddins continued to dominate the Under 21 and 24 events, retaining both of his titles in December. Julian O’Riordan (Tonbridge) played exceptionally well to win the Foster Cup. The ladies game, now also sponsored by Brown Advisory, with the singles integrated with the Open, was again won convincingly by Lea Van der Zwalmen. Lea cemented her authority by defending her world title in May against some rapidly developing young talent. India Deakin (Cheltenham) won the National Schoolgirls and Wellingtonians, Lauren Gooding and Issie Thorneycroft, won the Open Doubles and the National Schoolgirls Doubles.

### **Financial Statements**

The consolidated results for the year ended 30 June 2019 reflect net income of £80.6k compared with £34.6k in the prior year. This reflects a significant reduction in grants from the highest ever level of annual awards at £106.7k to £44.4k, with steady sponsorship income of £21k (2018: £20.3k). The shortfall to cover the professional tournament commitment continues to be raised by a small number of generous individual patrons and members who have contributed donations (including appropriate gift aid) of £91.5k (2018: £149.8k). Following the decision to require T&RA membership to be able to enter tournaments and maintain a handicap on RTO, the T&RA saw an increase in over 1000 new members, which boosted net subscription revenues by £22.2k.

The current year shows movement of funds of £155.7k compared with £137.6k in the previous year, with £75.1k of net gains on investments in 2018/19 and £103k in the prior year. The year’s surplus will be transferred to reserves.

### **Reserves Policy**

The Trustees have agreed that, should the T&RA suffer significant reverses, the unrestricted reserves should be sufficient to at least cover:

- Six months’ management expenses;
- Grants which the T&RA is expected to make in the next two to three years (subject to confirmation at the time).

At 30 June 2019 these amounted to approximately £375k.

The actual unrestricted reserves at 30 June 2019 were £1,786k and these reserves are held to ensure adequate income generation and to provide a firm foundation for future grants.

### **Grants**

Grants agreed and payable in the year under review totalled £44.4k, excluding an accrued payment of £25k to Harrow for the Rackets court rebuild project. The major grants were £29k towards Tennis Court Lite (the project to redefine Tennis court construction more cost-effectively) and to repair existing courts, with the remainder spent on professional development, the academy, the juniors and encouraging participation.

Over the past six years, the T&RA has invested over £570k back into the games. £370k has been spent on Courts: towards Rackets courts at Harrow and Tonbridge schools and the new Tennis court at Wellington College; improvements to many Tennis courts around the country including Jesmond Dene, Oxford, Manchester, Moreton Morrell and Petworth as well the ongoing research to examine the possibility of building new Tennis courts in a more efficient, innovative and cost-effective manner. £127.5k has been spent on Professionals' training and development including the CPD programme and TRACS, a project to recruit more professionals into the games. A further £62.5k has been spent on Participation, including on schools, universities and the Dedanists' Juniors' programmes.

### **Grant Making Policy**

In accordance with its charitable objects, the T&RA is dedicated to preserving and strengthening the games throughout the UK. All grants awarded must be consistent with the T&RA's charitable purposes and the Trustees satisfying themselves that such grants are consistent with their charity law obligations. Grants are by way of a contribution to the total cost of the grant recipient's project in line with this policy. The T&RA does not consider grants in retrospect.

The T&RA documents as appropriate the decision-making process in respect of the awarding of grants.

In making decisions about grants the T&RA satisfies itself that:

- The proposed grant is an appropriate and effective way of utilising the T&RA's assets to advance its charitable purposes in terms of expediency and risk;
- The grant is used by the recipient in a manner which will advance the T&RA's charitable objects;
- The grant generates identifiable public benefit;
- The grant does not confer an unacceptable private benefit;
- The grant does not give rise to adverse reputational issues for the T&RA; and
- Appropriate documentation is put in place in respect of the grant.

When considering grants to non-charitable organisations the T&RA considers any private benefit issues as private organisations are not subject to the same restrictions as charities and can undertake a much wider range of activities. Any private benefit which may arise in connection with the grant is identified and evaluated compared to the public benefit.

The T&RA conducts appropriate due diligence in respect of all potential grants to confirm that they are clearly in the best interests of the T&RA's charitable purposes.

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

The Board of Trustees supports the principles and procedures of good corporate governance as set out in the Combined Code published by the Financial Reporting Council. The Trustees strive to implement relevant provisions as far as is practicable for a sporting national governing body limited by financial and other resources and membership numbers.

The T&RA is governed by the Trustees named on page 2. The following constitutional matters were approved at the Annual General Meeting, with effect from 14 November 2018: AC Power and MKM Farmiloe were approved as Directors, RA Dalzell resigned having served three terms of three years as the Honorary Treasure and PRV Maxwell resigned having served two terms of three years as the Honorary Treasure and an Elected Member respectively. AC Power was appointed as Honorary Treasurer. The composition of the Board is intended to reflect activity within both sports.

No Trustees have been remunerated but were offered out-of-pocket expenses in the current year. A register of Directors' interests is maintained which details all personal or business interests which could give rise to a conflict of interest. The T&RA maintains Directors' and Officers' insurance as permitted by S.234 of the Companies Act 2006. Related party transactions are noted at Note 16.

The Board has established Games Committees, an Investment Committee and other Sub-Committees, relating to the good management of the sports. The Board and the Games Committees meet three to four times each year to consider reports from the Committees and to formulate policy. Members of Committees are primarily volunteers who give their time to support activities that can be dealt with more effectively on a collective basis.

The Chief Executive is responsible for implementing the strategy approved by the Board, leading and managing the staff and overseeing the T&RA's day-to-day operations. The pay of the Chief Executive and all staff are reviewed annually. In view of the nature of the charity, the Trustees benchmark pay levels against other charities. The remuneration benchmark is within the range paid for similar roles in similar sized charities.

### **Linked Charity – The Dick Bridgeman TRA Foundation (DBTRAF)**

The Trustees acting until 20 March 2019 were: The Honourable James Henry Morys Bruce, Peter Glyn Charteris Mallinson, John Allen Nicholas Prens and Giles Eric Pemberton. In order to facilitate the Charity Commission's approval that the independent charity could be linked to the Tennis & Rackets Association Limited, the above named Trustees stepped down at their final Trustee's Meeting on 20 March 2019 and were replaced by David Kenneth Watson and Andrew Charles Power.

DBTRAF had been established by a Deed of Trust dated 21 January 1965 and was previously registered with the Charity Commission number 313843. Its address was registered at 45 Cadogan Gardens, London, SW3 2AQ. The power of appointment of new Trustees was vested in the Tennis and Rackets Association Limited. The Trustees had paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The Charity Commission directed that as of 23 May 2019 the charity known as The Dick Bridgeman T R A Foundation ('the linked charity') be treated as forming part of the charity known as The Tennis & Rackets Association Limited ('the reporting charity') for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. This direction takes effect for the whole of the 2018/19 financial year of the reporting charity. Furthermore, the Charity Commission directed the linking of the charities under section 12 (1) is an administrative linkage, for reporting purposes only. It does not change the separate legal status of the charities, or the nature of restricted funds or endowment, and it does not constitute a merger. The Trustees are under a duty to ensure that the funds of each charity are still applied solely in accordance with the respective trusts.

The charity known as The Tennis & Rackets Association Limited was identified as the reporting charity. In reporting the charities' activities the Trustees of the reporting charity must maintain separate accounting records for each linked charity and ensure that the funds for each charity are applied only in accordance with each charity's separate trusts. This is a requirement of section 130 of the Charities Act 2011.

### **Risk Management**

The major financial and operational risks to which the T&RA is exposed are of an indirect nature through its coordination of sporting events nationally. The T&RA has a Health and Safety Policy which aims to implement all reasonable measures to reduce identified risks. Work is ongoing to address specific areas of concern, in particular, eye protection for players, which has formulated policy advice and a best practice list of suitable eyewear. The Board has approved a Safeguarding Policy which has been distributed and explained to all Clubs, and a volunteer has assumed the post of National Designated Officer, reporting to the Chief Executive. The Child Protection Officer continues to maintain the register of Disclosure and Barring Service checks, and facilitates the process. Directors' and officers' risks are further mitigated by a comprehensive insurance policy and by the T&RA's incorporation into a limited company. The liability of each member is limited to £1.00, being the amount that each member undertakes to contribute in the event of the winding-up of the Company. The Company endeavours to protect, as far as reasonably practicable and in conjunction with partner organisations where relevant, the health, safety and welfare of employees, volunteers, members and its guests whilst they are in the Association's offices or at one of its events, and in compliance with all relevant club or school rules and legal requirements.

The major strategic risks facing the T&RA in the near future are considered to be:

- A failure to maintain and enhance membership numbers: leading to a loss of subscription income threatening the T&RA's financial situation and its continuation as a National Governing Body;
- Any event that critically damages the T&RA's reputation as a responsible, well-managed body;
- A failure to manage the income-generating activities and its own costs in a properly commercial manner leading to budget deficits and the inability to maintain sufficient funds to support the T&RA's activities;
- A significant reduction in the availability of sponsorship funding and donations: requiring cutbacks in regular operations and the major programmes for the development of the Games.

All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

### **Future Plans**

The T&RA maintains a Strategic Plan which is reviewed regularly. The plan contains specific targets for membership, participation and court development, and these are monitored by the Board. The longer term objective is to encourage amateur sport for the general public by developing both games in the UK. This will be achieved by supporting the development of new courts, increasing participation (with an emphasis on the young) and to develop the training of new and existing coaches via a structured programme.

### **Funds held as Custodian Trustee on behalf of others**

There are no funds held on behalf of other organisations or entities.

### **Trustees' Responsibilities**

The Trustees, who are also directors of T&RA for the purpose of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charitable company will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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 corporate and financial information included on the charitable Company's website.

### **Statement of Disclosure of Information to Auditors**

Each of the Trustees, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

By Order of the Board

**C S Davies, Chief Executive and Company Secretary**

**On behalf of the Board**

**20 August 2019**

## **INDEPENDENT EXAMINER'S REPORT TO MEMBERS AND TRUSTEES OF THE TENNIS & RACKETS ASSOCIATION LTD**

I report to the Trustees on my examination of the accounts of the Tennis & Rackets Association Limited for the year ended 30 June 2019 which are set out on pages 9 to 18.

### **Respective responsibilities of Trustees and examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act"). The Trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Since the charity's income is in excess of £250,000 your examiner must be a member of a body listed in the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Thomas Wilson ACA  
Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

Date:

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2019**

<b>£000s</b>	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	<b>Year ended 30 Jun 19 Total</b>	Year ended 30 Jun 18 Total
<b>INCOME</b>						
Donations	3	75.5	20.7	0.0	<b>96.2</b>	120.8
Charitable activities	5	215.3	0.0	0.0	<b>215.3</b>	201.1
Trading activities	7	69.6	0.0	0.0	<b>69.6</b>	77.5
Investments		34.4	6.2	9.7	<b>50.3</b>	49.8
<b>Total Income</b>		<b>394.8</b>	<b>26.9</b>	<b>9.7</b>	<b>431.4</b>	<b>449.2</b>
<b>EXPENDITURE</b>						
Raising funds	4	8.9	2.1	2.6	<b>13.7</b>	14.1
Charitable activities	5	224.5	28.9	5.2	<b>258.6</b>	323.9
Trading activities	7	78.6	0.0	0.0	<b>78.6</b>	76.6
<b>Total Expenditure</b>		<b>312.0</b>	<b>31.0</b>	<b>7.8</b>	<b>350.9</b>	<b>414.6</b>
<b>Net income</b>		<b>82.8</b>	<b>-4.1</b>	<b>1.9</b>	<b>80.6</b>	<b>34.6</b>
<b>Net gains/(losses) on investments</b>	8	<b>53.2</b>	<b>12.2</b>	<b>9.7</b>	<b>75.1</b>	<b>103.0</b>
<b>Net movement in funds</b>	20	<b>136.0</b>	<b>8.1</b>	<b>11.6</b>	<b>155.7</b>	<b>137.6</b>
<b>Total funds brought forward</b>	20	1649.9	486.0	251.3	<b>2387.2</b>	2249.7
<b>Total funds carried forward</b>	20	<b>1785.9</b>	<b>494.1</b>	<b>262.9</b>	<b>2542.9</b>	<b>2387.2</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities. The notes on pages 14-19 form part of these financial statements.

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2018**

<b>£000s</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Year ended 30 Jun 18 Total</b>
<b>INCOME</b>				
Donations	82.3	38.5	0.0	<b>120.8</b>
Charitable activities	201.1	0.0	0.0	<b>201.1</b>
Trading activities	77.5	0.0	0.0	<b>77.5</b>
Investments	31.6	7.8	10.4	<b>49.8</b>
<b>Total Income</b>	<b>392.5</b>	<b>46.3</b>	<b>10.4</b>	<b>449.2</b>
<b>EXPENDITURE</b>				
Raising funds	10.5	2.2	1.4	<b>14.1</b>
Charitable activities	290.2	23.7	10.0	<b>323.9</b>
Trading activities	76.6	0.0	0.0	<b>76.6</b>
<b>Total Expenditure</b>	<b>377.3</b>	<b>25.9</b>	<b>11.4</b>	<b>414.6</b>
<b>Net income</b>	<b>15.2</b>	<b>20.4</b>	<b>-1.0</b>	<b>34.6</b>
<b>Net gains/(losses) on investments</b>	<b>89.3</b>	<b>14.7</b>	<b>-1.0</b>	<b>103.0</b>
<b>Net movement in funds</b>	<b>104.5</b>	<b>35.1</b>	<b>-2.0</b>	<b>137.6</b>
<b>Total funds brought forward</b>	1545.4	451.0	253.3	<b>2249.7</b>
<b>Total funds carried forward</b>	<b>1649.9</b>	<b>486.0</b>	<b>251.3</b>	<b>2387.2</b>

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**GROUP BALANCE SHEET AT 30 JUNE 2019**

£000s	Notes	30 Jun 19	30 Jun 18
<b>FIXED ASSETS</b>			
Listed Investments			
Unrestricted funds		1696.0	1579.5
Restricted funds		356.0	334.2
Endowment fund		260.5	253.5
Total listed Investments	10	<u>2312.5</u>	<u>2167.2</u>
<b>CURRENT ASSETS</b>			
Stocks	11	13.4	20.1
Debtors and payments in advance	12	46.8	31.0
Cash at bank and in hand		229.3	250.6
Total Current Assets		<u>289.5</u>	<u>301.7</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	13	-59.1	-81.7
<b>TOTAL NET ASSETS</b>		<u>2542.9</u>	<u>2387.2</u>
<b>FUNDS</b>			
Unrestricted funds	19	1785.8	1649.9
Restricted funds	19	494.2	486.0
Endowment fund	19	262.9	251.3
<b>TOTAL FUNDS</b>	19	<u>2542.9</u>	<u>2387.2</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

**Approved and authorised for issue by the Board on 20 August 2019 and signed on its behalf by:**

**D K Watson, Chairman**

**A C Power, Treasurer**

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**CHARITY BALANCE SHEET AT 30 JUNE 2019**

£000s	Notes	30 Jun 19	30 Jun 18
<b>FIXED ASSETS</b>			
Listed investments			
Unrestricted funds		748.1	651.0
Restricted funds		356.0	334.1
Total listed investments	10	1104.1	985.1
Investment in subsidiary		0.1	0.1
Total Investments		<b>1104.2</b>	<b>985.2</b>
<b>CURRENT ASSETS</b>			
Stocks	11	13.4	20.1
Debtors and payments in advance	12	50.3	59.4
Cash at bank and in hand		137.1	161.1
Total Current Assets		<b>200.8</b>	<b>240.6</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	13	-53.5	-61.0
<b>TOTAL NET ASSETS</b>		<b>1251.5</b>	<b>1164.8</b>
<b>FUNDS</b>			
Unrestricted funds		775.4	697.4
Restricted funds		476.1	467.4
<b>TOTAL FUNDS</b>	19	<b>1251.5</b>	<b>1164.8</b>

The Charity's income for the year ended 30.06.2019 is £315.1k, expenditure is £267.7k and net gains on investments are £39.3k; the surplus for the year is £86.7k.

**Approved and authorised for issue by the Board on 20 August 2019 and signed on its behalf by:**

**D K Watson, Chairman**

**A C Power, Treasurer**

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019**

**1. Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

The T&RA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Going Concern**

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of the financial position, reserve levels and future plans gives the Trustees confidence that the Charity remains a going concern for the foreseeable future.

**Income Recognition**

Investment income is recognised on a receivable basis once the amounts can be measured reliably. Individual Memberships Subscriptions, Donations, Entertainment and Development Income are recognised on a cash basis unless otherwise designated. Corporate Membership Fees, Sponsorship, Advertising, Sales of Ball Cloth, Rackets Balls, etc. are recognised when invoiced or otherwise fall due.

**Grants**

Grants payable are recognised once the application has been approved under the appropriate level of authority within the T&RA.

**Governance Costs**

Governance costs, comprising audit fees and accountancy costs, are included within support costs.

**Support Costs**

Support costs shown within Charitable Activities, including staff costs, communications and IT, governance costs and general administration, have been allocated to Trading Activities on the basis of a weighted average estimate of 10% (2018: 7.5%) of the time spent on sponsorship and professional tournaments.

**Operating Leases**

Rental charges are charged on a straight line basis over the life of the lease.

**Investments**

Investments are a form of basic financial instruments and are shown in the financial statements at market value.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed. Endowment funds are funds held where the charity is only permitted to spend the income but not the capital sum.

### Employee Benefits

The T&RA operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the T&RA in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

### Cash Flow Statement

The Trustees have taken advantage of the provisions of FRS102 (SORP2015) for smaller charities and have chosen not to prepare a cash flow statement.

### Legal Status

The T&RA is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

## 2. Judgement

The Trustees are required to consider financial and other issues which may affect these accounts and, where necessary, disclose material matters. In their view, there are no significant judgemental matters affecting these accounts to be disclosed.

## 3. Donations

<b>£000</b>	<b>2019</b>	<b>2018</b>
Benefactors	<b>22.7</b>	17.1
Charitable Donations	<b>47.1</b>	85.1
Gift Aid	<b>26.4</b>	18.6
<b>Total donations</b>	<b>96.2</b>	<b>120.8</b>

## 4. Raising Funds

<b>£000</b>	<b>2019</b>	<b>2018</b>
Investment management fees	<b>13.7</b>	<b>14.1</b>

## 5. Charitable activities

<b>£000</b>	<b>2019</b>	<b>2018</b>
<b>Income</b>		
Membership subscriptions	<b>164.3</b>	149.5
Amateur tournaments	<b>14.4</b>	8.7
Sales of ball cloth, rackets balls, etc.	<b>25.0</b>	21.5
Advertising in annual report	<b>4.2</b>	5.4
Other	<b>7.4</b>	16.0
Total income	<b>215.3</b>	<b>201.1</b>
<b>Expenditure</b>		
<b>Grants - in pursuit of the Company's objects:</b>		
Courts - new courts and improvements to existing courts	<b>29.0</b>	<b>86.4</b>
Professional coaches - training and development	<b>2.8</b>	<b>7.7</b>
Participation - encouraging more people to play, particularly the young	<b>12.2</b>	<b>8.3</b>
Other	<b>0.4</b>	<b>4.3</b>
Total grants	<b>44.4</b>	<b>106.7</b>
<b>Amateur tournaments</b>	<b>25.8</b>	<b>25.0</b>
<b>Support and Governance Costs</b>		
Staff costs	<b>129.5</b>	<b>123.8</b>
Cost of sales of ball cloth, etc.	<b>22.3</b>	<b>17.0</b>
Communications and IT	<b>27.3</b>	<b>30.5</b>
Auditor's remuneration	<b>2.0</b>	<b>4.1</b>
Other administrative costs	<b>22.9</b>	<b>29.3</b>
Total support costs	<b>204.0</b>	<b>204.7</b>
Less: allocated to trading activities	<b>-15.6</b>	<b>-12.5</b>
<b>Total net expenditure</b>	<b>258.6</b>	<b>323.9</b>

## 6. Staff Costs and Numbers

<b>£000</b>	<b>2019</b>	<b>2018</b>
Salaries and wages	<b>115.0</b>	112.2
Social security costs	<b>7.5</b>	6.5
Pension Contributions	<b>6.9</b>	5.1
<b>Total</b>	<b>129.4</b>	<b>123.8</b>

No employees received remuneration of more than £60.0k during the current or prior year. The total remuneration including benefits of the charity's key management personnel amounts to £58.7k (2018: £57.8k).

The average number of employees during the year was 4 (2018: 6).

The Trustees were not entitled to any remuneration, nor did they receive any. One Trustees was reimbursed £0.05k travelling expenses (2018: £ Nil)

## 7. Trading activities

<b>£000</b>	<b>2019</b>	<b>2018</b>
<b>Income</b>		
Sponsorship	21.0	20.3
Non-charitable donations	28.0	38.9
Professional tournaments	20.6	18.3
<b>Total income</b>	<b>69.6</b>	<b>77.5</b>
<b>Expenditure</b>		
Professional tournaments	62.9	64.1
Allocated support costs	15.7	12.5
<b>Total expenditure</b>	<b>78.6</b>	<b>76.6</b>

## 8. Net gains/(losses) on investments

<b>£000</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>Realised gains/(losses) on investments</b>					
Historical cost gains/(losses)	54.6	8.8	8.1	71.5	241.0
Less (gains)/losses recognised in prior years	54.0	7.9	7.6	69.5	234.3
Gains/(losses) recognised in current year	0.5	0.9	0.5	2.0	6.7
<b>Unrealised gains/(losses) on investments</b>					
Investments					
Market value at 30 June	1696.0	356.0	260.5	2312.5	2167.2
Cost at 30 June	-1311.1	-310.6	-229.3	-1851.0	-1709.2
Unrealised gain in portfolio	384.9	45.3	31.2	461.5	458.0
Less recognised in prior years	-386.3	-42.0	-29.7	-458.0	-596.0
Transferred to realised gain	54.0	7.9	7.6	69.5	234.3
Unrealised gains/(losses) in current year	52.6	11.3	9.2	73.1	96.3
<b>Net gains/(losses) on investments</b>	<b>53.2</b>	<b>12.2</b>	<b>9.7</b>	<b>75.1</b>	<b>103.0</b>

## 9. Operating Lease

Rentals payable in respect of a property lease:

<b>£000</b>	<b>2019</b>	<b>2018</b>
Less than one year	2.0	2.0
Two to five years	8.0	8.0
More than five years	26.0	28.0

## 10. Investments

<b>Group £000</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>Listed Investment assets in the UK:</b>					
<b>Market value at beginning of period</b>	<b>1579.5</b>	<b>334.2</b>	<b>253.5</b>	<b>2167.2</b>	2104.1
Additions to investments at cost	215.2	36.2	29.5	280.9	692.4
Additions to investments through accumulations	1.2	0.3	0.0	1.5	2.0
Sales proceeds from disposals	-153.1	-26.9	-32.2	-212.2	-734.4
Net realised gains/(losses) on disposals	0.5	0.9	0.5	2.0	6.7
Net unrealised gains/(losses) on revaluation	52.6	11.3	9.2	73.1	96.2
<b>Market value at 30 June 2019</b>	<b>1696.0</b>	<b>356.0</b>	<b>260.5</b>	<b>2312.5</b>	<b>2167.2</b>

## 11. Stocks

<b>£000</b>	<b>2019</b>	<b>2018</b>
Ball cloth	3.7	9.9
Rackets balls	6.6	6.9
Merchandise	2.4	2.6
Wine and Other	0.7	0.7
<b>Total</b>	<b>13.4</b>	<b>20.1</b>

## 12. Debtors and Payments in Advance

<b>£000</b>	<b>2019</b>	<b>2018</b>
Debtors	4.8	6.0
HM Revenue & Customs	5.0	4.1
Payments in Advance	7.1	2.7
Other Debtors	29.9	18.2
<b>Total</b>	<b>46.8</b>	<b>31.0</b>

## 13. Creditors and Accruals

<b>£000</b>	<b>2019</b>	<b>2018</b>
Accounts Payable	4.6	14.4
Accruals	26.5	52.2
Deferred Income	19.9	15.1
Other payables	8.1	0.0
<b>Total</b>	<b>59.1</b>	<b>81.7</b>

## 14. Linked Charity

DBTRAF is a linked charity and is treated as forming part of the TRAL charity. A summary of DBTRAF's financial activity for the years ended 30 June is shown below:

<b>£000</b>	<b>2019</b>	<b>2018</b>
<b>Statement of Financial Activities</b>		
Total income	46.8	43.0
Total expenditure	-13.6	-69.4
Net income/(deficit)	33.2	-26.4
Net gains on investments	35.8	46.7
Total funds brought forward	1222.4	1202.1
<b>Total funds carried forward</b>	<b>1291.4</b>	<b>1222.4</b>
<b>Balance Sheet</b>		
Fixed asset investments	1208.4	1182.0
Current assets	87.0	60.1
Current liabilities	-4.0	-19.7
<b>Total net assets</b>	<b>1291.4</b>	<b>1222.4</b>

## 15. Subsidiary Undertaking

The company has one subsidiary undertaking, T&RA Trading Limited (TRAT), as detailed below.

## TRAT

TRAT is a wholly owned subsidiary company of T&RA and commenced operations on 5 July 2016. It undertakes the non-charitable activities of T&RA: the execution of professional tournaments and securing sponsorship and donations to facilitate professional tournaments. A summary of TRAT's financial activity for the period ended 30 June 2019 is shown below:

£000	2019	2018
<b>Income Statement</b>		
Total turnover	78.6	77.5
Total expenditure	-78.6	-76.6
Operating profit	0.0	0.9
Donation to T&RA	0.0	-0.9
<b>Profit for the period</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance Sheet</b>		
Current assets	17.8	36.1
Current liabilities	-17.7	-36.0
<b>Total net assets</b>	<b>0.1</b>	<b>0.1</b>

TRAT was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Its registered address is: The Queen's Club, Palliser Road, West Kensington, London W14 9EQ.

## 16. Related Party Transactions

The aggregate amount of donations from Trustees during the year was £28.3k (2018: £11.9k).

## 17. Memorabilia

The collection of T&RA memorabilia, including trophies, books and art, is not included in the accounts but is insured for full replacement value. At the date of these accounts, the value of such assets is estimated to be in excess of £250k.

## 18. Description of Restricted and Endowment Funds

### Restricted funds

Restricted funds are subject to restrictions imposed by the donor; these can be further described as follows:

- Young Professionals Fund (YPF) – for the training and development of professional coaches
- Smithie Fund (Smithie) – available for interest free loans for Tennis court improvements
- Cockroft Rackets Fund (Cockroft) – for the Rackets development squad
- Tennis Support Fund (TSF) – available for Tennis court improvements
- Real Tennis Professionals' Association (RTPA) - for training Tennis professional coaches
- Tennis Court Lite (TCL) – research project to develop a more cost-effective methodology to build Tennis courts
- Hammering Britain and Kingsley Funds (HB/K): for training and development of Rackets professional coaches
- Lumsden Luck-Hille Initiative (LL-H): for identification, training and development of young Tennis professional coaches.

### Endowment fund

Peter Kershaw Bursary Fund (PKBF): £200k was given to the charity on 10 December 2001 to be used to support Real Tennis and Rackets coaches, repairs and improvements to Real Tennis and Rackets facilities or any other purpose within the objects of the charity as approved by the trustees of the Peter Kershaw Charitable Trust (PKCT).

Income arising from the investments held should be applied for the above purposes within two consecutive years or else the value of the fund is repayable to the original donor trust. An annual report is made to the trustees of PKCT regarding the projects supported by the fund. Support has continued and no negative feedback relating to expenditure within the charity's objects has been received.

## 19. Summary of fund movements

<b>£000</b>	2018	Income	Expenditure	Gains/ (Losses)	2019
<b>Unrestricted</b>					
T&RA	697.4	288.2	-237.2	27.0	<b>775.4</b>
DBTRAF	952.5	37.1	-5.3	26.2	<b>1010.4</b>
TRAT	0.0	78.6	-78.6	0.0	<b>0.0</b>
Consolidation adjustments	0.0	-9.0	9.0	0.0	<b>0.0</b>
	<b>1649.9</b>	394.9	-312.1	53.2	<b>1785.8</b>
<b>Restricted</b>					
YPF	389.2	11.3	-4.4	12.3	<b>408.4</b>
Smithie	10.0	0.0	0.0	0.0	<b>10.0</b>
Cockroft	36.7	0.0	0.0	0.0	<b>36.7</b>
TSF	3.9	0.0	0.0	0.0	<b>3.9</b>
RTPA	9.6	0.0	0.0	0.0	<b>9.6</b>
HB/K	18.1	0.0	0.0	0.0	<b>18.1</b>
LL-H	0.5	0.0	0.5	0.0	<b>0.0</b>
TCLite	18.0	15.6	-26.1	0.0	<b>7.5</b>
	<b>486.0</b>	26.9	-31.0	12.3	<b>494.2</b>
<b>Endowment</b>					
PKBF	251.3	9.7	-7.8	9.7	<b>262.9</b>
<b>Total</b>	<b>2387.2</b>	<b>431.5</b>	<b>-351.0</b>	<b>75.1</b>	<b>2542.9</b>

## 20. Analysis of net assets by fund

### 2019

<b>£000</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2019</b>
Investments	1696.0	356.0	260.5	<b>2312.5</b>
Stock	13.4	0.0	0.0	<b>13.4</b>
Debtors	46.8	0.0	0.0	<b>46.8</b>
Cash and bank	150.8	67.1	11.4	<b>229.3</b>
Creditors	-121.1	71.1	-9.1	<b>-59.1</b>
<b>Total</b>	<b>1785.8</b>	<b>494.2</b>	<b>262.9</b>	<b>2542.9</b>

### 2018

<b>£000</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2018</b>
Investments	1579.5	334.2	253.5	<b>2167.2</b>
Stock	20.1	0.0	0.0	<b>20.1</b>
Debtors	31.0	0.0	0.0	<b>31.0</b>
Cash and bank	175.9	64.5	10.2	<b>250.6</b>
Creditors	-156.6	87.3	-12.4	<b>-81.7</b>
<b>Total</b>	<b>1649.9</b>	<b>486.0</b>	<b>251.3</b>	<b>2387.2</b>