

**THE
TENNIS & RACKETS
ASSOCIATION
LIMITED**

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

Trustees' Report and Consolidated Financial Statements

For the year ended 30 June 2023

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THE TENNIS & RACKETS ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE DATA AT 30 JUNE 2023

TRUSTEES	Fred C Satow (Chairman) Mark K M Farmiloe Charles J Foreman (retired 23 November 2022) Alan C B Giddins (retired 23 November 2022) Victoria J Harvey Kathryn J Leppard William J Maltby (retired 23 November 2022) Andrew C Power (Treasurer) Rory D Sutton Christopher Vigrass Richard J Compton-Burnett (co-opted 29 March 2023) Ronald G Paterson (co-opted 23 May 23)
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	Brown Advisory 18 Hanover Square, London, W1S 1JY Sarasin & Partners Juxon House, St Paul's Churchyard, London, EC4M 8BU
INDEPENDENT EXAMINERS	Haysmacintyre 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 2023

Introduction

The Tennis & Rackets Association Limited (T&RA) or the Association 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 2023.

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, including an apprenticeship scheme; 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, regular 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 for Tennis and Rackets, as well as the Tennis and Rackets Investing in Professionals programmes; and
- Developing digital streaming to record and distribute major events to enthusiasts worldwide.

Values

The T&RA is committed to work for the benefit of all Tennis and Rackets players, at all levels. The T&RA adopts a collaborative, consultative, inclusive and open approach to the running of the Association and aims 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 core 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

There have been some remarkable memories and achievements in the last 12 months. Two young stars excelled in Rackets; Ben Cawston becoming World Champion, as well as Open Champion, whilst Cesca Sweet swept aside the opposition to win the Under 19 World Championship in Real Tennis and, with partner Lea Van der Zwalm, became World Doubles Champion in Rackets. Some were routine, Claire Fahey's inevitable eighth (and record-breaking) Open and

World crowns, while husband Rob succumbed to the relative youth of Camden Riviere, but after a remarkable fight over three days. In Tennis, Max Trueman won the Under 18 title and then became Junior World Champion three days later at Seacourt. There were notable performances by Rob Shenkman winning the Amateur Singles and beating both Chris Chapman and Tim Chisholm in major US events. In Rackets, Alex Titchener-Barrett rolled back the years in the Open Doubles final, alongside partner Nick James. Rory Giddins just pipped ATB in the Amateur singles, coming back from two games down to win in the fifth.

In Tennis team sport, the Bathurst 100 saw the British team, admirably led by Jamie Douglas, win the centenary tournament under the gaze of Father Time, whilst Tara Lumley led her team to success in the inaugural Ladies Bathurst, marvellously supported by Countess Bathurst in person.

Rackets witnessed the retirement of Rob Wakely after a lifetime of loyal service at Marlborough, to be replaced by Rob Horn. Meanwhile the Rugby court has been restored, courtesy of the Old Rugbeians, the T&RA and the School, and will be ready for the start of next season. New professionals are starting at Rugby and Haileybury next season.

The season also saw streaming reach new heights thanks to the energy and enthusiasm of Ben Geytenbeek. With each tournament, new elements were introduced to enhance the experience, with live scoreboard and commentary becoming the standard for major events. The T&RA Media channel exceeded 1,000 subscribers, and continues to grow. Streaming has extended to Rackets events at Queen's, with matches now available to watch retrospectively.

The Board and Games Committees have met regularly, as many key projects continued to move forward. The Investing in Professionals (IiP) programme remains the largest single commitment and has started to reap rewards, with apprentices securing their first full-time positions, which the programme refills with a new batch of young trainees. The T&RA has worked closely with the Real Champions' Club to reach this point. A similar programme for Rackets has proved more difficult but the T&RA continues to train young Rackets assistant professionals while moving the process forward.

The other significant project was to take forward the work on eye-protection, in collaboration with Brunel University. This has initially been restricted to Real Tennis with the aim of giving some better-informed advice to the community.

The T&RA has renewed an enhanced sponsorship arrangement with Brown Advisory for Rackets and was very grateful for the support of Sir John Ritblat for the British Open (Tennis).

Financial Statements

The consolidated results for the year ended 30 June 2023 show a net loss of £4.2k which was less than the loss of £9.7k in the prior year. Grants increased by £18.1k to £144.1k as we expanded our investment in young apprentice professionals from tennis to include rackets. This increase in grants was largely covered by donations and dividends on our investment portfolio. Donations (including associated gift aid) fell to £190.1k in the financial year from a level of £193.6k the previous year. The deficits we normally run on tournaments was reduced from £23.3k to £10.7k thanks to a generous donation from Sir John Ritblat. Membership levels were stable, rising by just over 1% and this along with judicious management of our administrative costs meant subscriptions covered all but £29k of these support and governance costs.

The current year shows movement in funds of plus £94.2k compared with a negative £209.6k in the previous year. This principally was caused by £98.4k of net gains on investments in 2022/23 compared to investment losses of £199.9k in the prior year. This gain reflected unrealised gains on the investment portfolio related to the improvements in financial markets in the first half of calendar year 2023. The year's gains 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 cover at least six months' management expenses and any expected grants for the next two to three years.

At 30 June 2023 these amounted to approximately £500k.

Total reserves at 30 June 2023 were £2,690k (2022: £2,596k). Actual unrestricted reserves were £1,819k (2022: £1,805k) which are held to ensure adequate income generation and to provide a firm foundation for future grants.

Grants

Grants agreed in the year under review totalled £144.1k. The principal expenditure was on the liP programme for tennis where a total of £75.9k was invested, with a further £11.7k spent on rackets. In addition, grants for court redevelopment and maintenance were £20k, and expenses to encourage participation in the games were £19.3k.

Over the past ten years, the T&RA has invested almost £1 million back into the games. £510k has been spent on Courts (covering ten different courts), and ongoing research to examine the possibility of building new Tennis courts in a more efficient, innovative and cost-effective manner. £355k has been spent on Professionals' training and development including liP, TRACS (a project to recruit more professionals into the games) and the Club Professional Development programme. A further £110k has been spent on encouraging Participation 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 23 November 2022: Mr WJ Maltby, Mr CJ Foreman and Mr ACB Giddins stepped down as Trustees; Ms KJ Leppard was re-elected and Dr VJ Harvey elected as Trustees. Mr RJ Compton-Burnett and Mr RG Paterson were co-opted onto the Board at the 29 March and 23 May 2023 Board Meetings respectively. 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 four to six times each year to consider reports from the Committees and to formulate policy. Members of Committees are 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.

Linked Charity – The Dick Bridgeman TRA Foundation (DBTRAF)

Andrew Charles Power has performed the role of Trustee since 20 March 2019, with Frederick Charles Satow replacing David Kenneth Watson with effect from 24 November 2021.

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 & 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 took 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, and the T&RA is formulating policy advice and a list of suitable eyewear. The Board has approved a Safeguarding Policy which has been distributed and clarified to all Clubs, with a voluntary National Designated Officer reporting to the Chief Executive. Disclosure and Barring Service checks, which facilitate the Safeguarding Policy, are initiated by the T&RA office. 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 or affects the ability of members or non-members ability to play Tennis or Rackets nationally;

- 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 failure of performance or underperformance of our investment funds;
- 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; or
- A threat to the on-line systems via a co-ordinated cyber-attack.

All significant risks, along with current mitigation actions, are reviewed annually by the Trustees and more regularly by management. The Trustees are satisfied that systems are in place to mitigate identified risks to an acceptable level.

Future Plans

The T&RA has developed a strategic plan. The plan contains specific targets for membership, participation and court development, and these are monitored by the Board. The longer-term objective is to promote amateur sport to 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 the 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 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 Company's website.

By Order of the Board

C S Davies, Chief Executive and Company Secretary

On behalf of the Board

4 September 2023

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 and Rackets Association Limited for the year ended 30 June 2023 which are set out on pages 9 to 19.

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 [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

THE TENNIS & RACKETS ASSOCIATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

£000s	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Year ended 30 Jun 23 Total	Year ended 30 Jun 22 Total
INCOME						
Donations	3	77.5	112.6	0.0	190.1	193.6
Charitable activities	5	259.8	2.6	0.0	262.4	217.9
Trading activities	7	68.9	0.0	0.0	68.9	70.6
Investments		46.7	7.0	8.7	62.4	59.5
Total Income		452.9	122.2	8.7	583.8	541.7
EXPENDITURE						
Raising funds	4	6.9	1.9	1.0	9.8	16.9
Charitable activities	5	404.0	72.0	8.2	484.2	443.1
Trading activities	7	94.0	0.0	0.0	94.0	91.4
Total Expenditure		504.9	73.9	9.2	588.0	551.4
Net income		(52.0)	48.3	(0.5)	(4.2)	(9.7)
Net gains/(losses) on investments	8	66.0	30.7	1.7	98.4	(199.9)
Net movement in funds	20	14.0	79.0	1.2	94.2	(209.6)
Total funds brought forward	20	1805.0	537.8	252.8	2595.6	2805.2
Total funds carried forward	20	1819.0	616.7	254.0	2689.8	2595.6

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 13-19 form part of these financial statements.

THE TENNIS & RACKETS ASSOCIATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2022

£000s	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Year ended 30 Jun 22 Total
INCOME					
Donations	3	66.6	127	0.0	193.6
Charitable activities	5	217.1	0.8	0.0	217.9
Trading activities	7	61.1	9.5	0.0	70.6
Investments		45.1	5.1	9.4	59.5
Total Income		389.9	142.4	9.4	541.7
EXPENDITURE					
Raising funds	4	12.6	2.3	2.0	16.9
Charitable activities	5	328.8	113.4	0.9	443.1
Trading activities	7	84.5	6.9	0.0	91.4
Total Expenditure		425.9	122.6	2.9	551.4
Net income		(36.0)	19.8	6.4	(9.7)
Net gains/(losses) on investments	8	(145.4)	(34.0)	(20.5)	(199.9)
Net movement in funds	20	(181.4)	(14.2)	(14.1)	(209.6)
Total funds brought forward	20	1986.4	551.9	266.9	2805.2
Total funds carried forward	20	1805.0	537.8	252.8	2595.6

THE TENNIS & RACKETS ASSOCIATION LIMITED
GROUP BALANCE SHEET AT 30 JUNE 2023

£000s	Notes	30 Jun 23	30 Jun 22
FIXED ASSETS			
Listed Investments			
Unrestricted funds		1819.4	1758.8
Restricted funds		446.4	418.5
Endowment fund		252.3	250.6
Total Investments	10	<u>2518.1</u>	<u>2427.9</u>
Total Fixed Assets		<u>2518.1</u>	<u>2427.9</u>
CURRENT ASSETS			
Stocks	11	7.3	14.3
Debtors and payments in advance	12	90.2	63.8
Cash at bank and in hand		163.8	186.4
Total Current Assets		<u>261.3</u>	<u>264.5</u>
CURRENT LIABILITIES			
Creditors and accruals	13	(89.7)	(96.8)
TOTAL NET ASSETS		<u>2689.7</u>	<u>2595.6</u>
FUNDS			
Unrestricted funds	19	1819.0	1805.0
Restricted funds	19	616.7	537.8
Endowment fund	19	254.0	252.8
TOTAL FUNDS	19	<u>2689.7</u>	<u>2595.6</u>

For the financial year ending 30 June 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not 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 4 September 2023 and signed on its behalf by:

F C Satow, Chairman

A C Power, Treasurer

THE TENNIS & RACKETS ASSOCIATION LIMITED
CHARITY BALANCE SHEET AT 30 JUNE 2023

Company Number: 07819045

£000s	30 Jun 23	30 Jun 22
FIXED ASSETS		
Listed investments		
Unrestricted funds	865.9	811.6
Restricted funds	446.4	418.5
Total listed investments	1312.3	1230.1
Investment in subsidiary	0.1	0.1
Total Investments	1312.4	1230.2
Total Fixed Assets	1312.4	1230.2
CURRENT ASSETS		
Stocks	7.3	14.3
Debtors and payments in advance	163.1	98.7
Cash at bank and in hand	27.2	59.0
Total Current Assets	197.6	172.0
CURRENT LIABILITIES		
Creditors and accruals	(131.1)	(112.2)
TOTAL NET ASSETS	1378.9	1290.0
FUNDS		
Unrestricted funds	770.4	764.4
Restricted funds	608.5	525.6
TOTAL FUNDS	1378.9	1290.0

The Charity's income for the year ended 30 June 2023 is £463.4k, expenditure is £464.8k and net gain on investments are £90.3k; the surplus for the year is £88.9k.

Approved and authorised for issue by the Board on 4 September 2023 and signed on its behalf by:

F C Satow, Chairman

A C Power, Treasurer

THE TENNIS & RACKETS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023

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. No separate SOFA has been presented for T&RA alone, as permitted by Section 408 of 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. Special attention has been paid to cashflows, year-end cash balances and unrestricted reserves, all of which remain healthy.

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.

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.

3. Donations

£000	2023	2022
Benefactors	23.2	16.6
Charitable Donations	135.1	141.6
Gift Aid	31.8	35.4
Total donations	190.1	177.8

4. Raising Funds

£000	2023	2022
Investment management fees	9.8	16.9

5. Charitable activities

£000	2023	2022
Income		
Membership subscriptions	183.0	166.3
Amateur tournaments	37.3	16.6
Sales of ball cloth, rackets balls, etc.	24.0	22.1
Advertising in annual report	3.3	2.4
Other	14.8	10.1
Total income	<u>262.4</u>	<u>217.5</u>
Expenditure		
Grants - in pursuit of the Company's objects:		
Courts - new courts and improvements to existing courts	20.0	22.0
Professional coaches - training and development	90.1	90.1
Participation - encouraging more people to play, particularly the young	19.3	14.6
Other	14.7	7.2
Total grants	<u>144.1</u>	<u>133.9</u>
Amateur tournaments	<u>48.7</u>	<u>37.3</u>
Support and Governance Costs		
Staff costs	213.5	205.3
Cost of sales of ball cloth, etc.	19.3	20.6
Communications and IT	27.9	30.6
Examiner's remuneration	2.5	2.8
Other administrative costs	28.2	29.1
Total support costs	<u>291.4</u>	<u>288.4</u>
Less: allocated to trading activities	<u>(0.0)</u>	<u>(16.5)</u>
	<u>291.4</u>	<u>271.8</u>
Total net expenditure	<u><u>484.2</u></u>	<u><u>443.1</u></u>

6. Staff Costs and Numbers

	2023	2022
£000		
Salaries and wages	192.8	186.0
Social security costs	10.8	9.7
Pension Contributions	9.9	9.7
Total	<u><u>213.5</u></u>	<u><u>205.4</u></u>

The total remuneration including benefits of the charity's key management personnel amounts to £67.8k (2022: £64.2k).

The average number of employees during the year was 8 (2022: 8).

The Trustees were not entitled to any remuneration, nor did they receive any.

7. Trading activities

£000	2023	2022
Income		
Sponsorship	28.0	23.0
Non-charitable donations	0.0	20.0
Professional tournaments	40.9	27.6
Total income	68.9	70.6
Expenditure		
Professional tournaments	93.2	74.0
Allocated support costs	0.8	17.4
Total expenditure	94.0	91.4

8. Net gains/(losses) on investments

£000	Unrestricted	Restricted	Endowment	Total 2023	Total 2022
Realised gains/(losses) on investments					
Historical cost gains/(losses)	11.4	(2.6)	3.8	12.6	35.6
Less (gains)/losses recognised in prior years	9.6	(1.0)	3.8	12.4	23.8
Gains/(losses) recognised in current year	1.8	(1.6)	0.0	0.2	11.8
Unrealised gains/(losses) on investments					
Market value at 30 June	1813.2	432.8	252.3	2498.3	2399.6
Cost at 30 June	(1731.3)	(397.6)	(248.6)	(2377.5)	(2383.7)
Unrealised gain in portfolio	81.9	35.2	3.7	120.8	15.9
Less recognised in prior years	(10.6)	(1.9)	(2.0)	(14.5)	(230.8)
Transferred to realised gain	(7.1)	(1.0)	(0.0)	(8.1)	3.3
Unrealised gains/(losses) in current year	64.2	32.3	1.7	98.2	(211.7)
Net gains/(losses) on investments	66.0	30.7	1.7	98.4	(199.9)

9. Operating Lease

Rentals payable in respect of a property lease:

£000	2023	2022
Less than one year	2.0	2.0
Two to five years	8.0	8.0
More than five years	18.0	20.0

10. Investments

Group £000	Unrestricted	Restricted	Endowment	Total 2023	Total 2022
Listed Investment assets in the UK:					
Market value at beginning of period	1747.0	402.0	250.6	2399.6	2589.6
Cash	6.3	13.6	0.0	19.9	28.2
Additions to investments at cost	86.1	42.6	0.0	128.7	311.9
Additions to investments Other	0.0	0.0	0.0	0.0	0.0
Sales proceeds from disposals	(86.1)	(42.5)	0.0	(128.6)	(302.0)
Net realised gains/(losses) on disposals	1.9	(1.6)	0.0	0.3	11.8
Net unrealised gains/(losses) on revaluation	64.2	32.3	1.7	98.2	(211.7)
Market value at 30 June 2022	1819.4	446.4	252.3	2518.1	2427.9

11. Stocks

£000	2023	2022
Ball cloth	3.7	9.7
Merchandise	1.2	1.2
Wine and Other	2.4	3.4
Total	7.3	14.3

12. Debtors and Payments in Advance

£000	2023	2022
Debtors	6.6	2.2
HM Revenue & Customs	6.4	1.6
Payments in Advance	49.1	32.7
Other Debtors	28.1	27.3
Total	90.2	63.8

13. Creditors and Accruals

£000	2023	2022
Accounts Payable	19.2	6.6
Accruals	47.5	56.7
Deferred Income	15.4	24.4
Other payables	7.6	9.1
Total	89.7	96.8

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 year ended 30 June is shown below:

£000	2023	2022
Statement of Financial Activities		
Total income	51.4	54.4
Total expenditure	(51.6)	(12.2)
Net (deficit)/income	(0.1)	42.2
Net (losses)/gains on investments	8.1	(98.1)
Total funds brought forward	1305.5	1361.4
Total funds carried forward	1313.5	1305.5
Balance Sheet		
Fixed asset investments	1205.8	1197.7
Current assets	127.1	114.5
Current liabilities	(19.4)	(6.7)
Total net assets	1313.5	1305.5

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 year ended 30 June 2023 is shown below:

£000	2023	2022
Income Statement		
Total turnover	93.9	85.6
Total expenditure	(94.0)	(69.1)
Operating profit	(0.1)	16.5
Donation to T&RA	(2.5)	(16.5)
Loss for the period	(2.6)	0.0
Balance Sheet		
Current assets	9.6	12.8
Current liabilities	(12.1)	(12.7)
Total net assets	(2.5)	0.1

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 £1.8k (2022: £1.8k). There were no other related party transactions in the year.

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
- Investment in Professionals (IIP) - 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
- Inter-Livery Fund – Funds held on behalf of the Livery Companies to fulfil their annual tournament.

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

£000	2022	Income	Expenditure	Gains/ (Losses)	2023
Unrestricted					
T&RA	764.4	343.8	(397.5)	59.6	770.4
DBTRAF	1040.6	42.8	(38.4)	6.4	1051.4
TRAT	0.0	91.3	(94.0)	0.0	(2.6)
Consolidation adjustments	0.0	(25.0)	25.0	0.0	0.0
	1805.0	452.9	(504.9)	66.0	1819.0
Restricted					
YPF	433.3	8.4	(4.4)	30.7	468.0
Smithie	10.0	0.0	0.0	0.0	10.0
Cockroft	35.3	0.0	(0.9)	0.0	34.4
TSF	3.9	0.0	0.0	0.0	3.9
ILRT	11.1	2.6	0.0	0.0	13.7
HB/K	12.1	0.0	(4.0)	0.0	8.1
liP	32.1	111.2	(64.7)	0.0	78.6
	537.8	122.2	73.9	30.7	616.7
Endowment					
PKBF	252.8	8.7	(9.2)	1.7	254.0
Total	2595.6	583.8	(557.1)	98.4	2689.7

20. Analysis of net assets by fund

2023

£000	Unrestricted	Restricted	Endowment	Total 2023
Fixed Assets	1819.4	446.4	252.3	2518.1
Stock	7.3	0.0	0.0	7.3
Debtors	15.1	75.1	0.0	90.2
Cash and bank	121.6	22.6	19.6	163.8
Creditors	(144.4)	72.6	(17.9)	(89.7)
Total	1819.0	616.7	254.0	2689.7

2022

£000	Unrestricted	Restricted	Endowment	Total 2022
Fixed Assets	1758.8	418.5	250.6	2427.9
Stock	14.3	0.0	0.0	14.3
Debtors	30.7	33.1	0.0	63.8
Cash and bank	143.0	31.0	12.4	186.4
Creditors	(141.8)	55.2	(10.2)	(96.8)
Total	1805.0	537.8	252.8	2595.6