

**THE  
TENNIS & RACKETS  
ASSOCIATION  
LIMITED**

**Company No. 07819045**

**Directors' Report and Financial Statements**

**For the year ended 30 June 2014**

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### THE TENNIS & RACKETS ASSOCIATION LIMITED LEGAL AND ADMINISTRATIVE DATA AT 30 JUNE 2014

<b>DIRECTORS</b>	<b>William J Maltby (Chairman)</b> <b>James H M Bruce</b> <b>Richard A Dalzell (Treasurer)</b> <b>Mrs Alex Garside</b> <b>Alan C Lovell</b> <b>Simon N Mansfield</b> <b>Patrick R V Maxwell</b> <b>Roger G Pilgrim</b> <b>Guy J Smith-Bingham</b> <b>David K Watson</b> <b>Bernard R Weatherill</b>
<b>COMPANY SECRETARY</b>	<b>Christopher S Davies</b>
<b>COMPANY NUMBER</b>	<b>07819045</b>
<b>REGISTERED ADDRESS</b>	<b>c/o The Queen's Club</b> <b>Palliser Road</b> <b>West Kensington</b> <b>London W14 9EQ</b>
<b>PORTFOLIO MANAGERS</b>	<b>Smith &amp; Williamson Investment Management Limited</b> <b>25 Moorgate</b> <b>London EC2R 6AY</b>
<b>REGISTERED AUDITORS</b>	<b>haysmacintyre</b> <b>26 Red Lion Square</b> <b>London WC1R 4AG</b>
<b>BANKERS</b>	<b>Cater Allen Private Bank</b> <b>9 Nelson Street</b> <b>Bradford BD1 5AN</b>

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

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2014**

### **Introduction**

The directors present their report together with the financial statements for the year ended 30 June 2014.

### **Objectives and Activities**

The objectives of the Tennis & Rackets Association (T&RA or the Association) are to act as the central authority in the United Kingdom in all matters connected with the games of Real Tennis and Rackets, with specific responsibility for the laws and rules under which both games are played, and to preserve and strengthen the future of both games and to do all such other lawful things as may be incidental or conducive to the pursuit or attainment of the T&RA's objectives.

The activities of the T&RA fall under three broad headings; regular operations, development and communications. This is funded via membership subscription and external sponsorship.

#### Regular operations

- Maintenance of the rules and standards of the games, including amateur status and the impact of new technology
- Coordination of health and safety in the games via national policy
- Providing a central coordination service for child protection legal requirements
- Maintenance of the handicap system (Tennis) and ranking system (Rackets)
- Provision of Public Liability Insurance to members and collective insurance for clubs and schools

#### Development

- Organisation and coordination of national events and fixtures which permit many players to test their skills against one another in competition and encourage more participants into the games
- Financial support to the Club Professional Development programme, which provides through-life training packages for all professionals
- Providing grants and loans to new court projects and ensuring the existing courts are retained in playable conditions by improving their infrastructure
- Organisation and financial support to elite programmes such as the Junior Academy, British Academy and Development squads (Tennis) and Regional Development squads (Rackets)

#### Communications

- Using traditional methods such as the Annual Report and interim newsletters
- Using digital technology via the website, social media networking and e-communications

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

The Company commenced operations on 01 January 2013, having formally adopted its Articles of Association, and is registered with Companies House. Prior to this time the entity existed as an unincorporated Association.

The Board of Directors support the principles and procedures of good corporate governance as set out in the Combined Code published by the Financial Reporting Council. The Directors strive to implement relevant provisions as far as is practicable for a sporting national governing body, limited by financial resources and membership numbers; and with the governance mainly comprised of volunteers.

The T&RA is governed by the eleven Directors named above, all appointed with effect from 1 January 2013. As all Directors were already in post prior to this date, re-appointment dates have been staggered. S N Mansfield and B R Weatherill have been re-appointed for a second term of office with effect from 23 November 2013. No Directors have been remunerated nor received any expenses in the current year or the previous period. The composition of the Board is intended to reflect activity within both sports, and to balance the interests of the personal members and the affiliated clubs. 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 in line with S.234 of the Companies Act 2006.

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.

### **Related Party Transactions**

During the year the company approved a grant payment to Wellington College totalling £30k in favour of the new Real Tennis court at Wellington College (2013: £Nil). William J Maltby, a Director, is also a member of the Wellington College Real Tennis Project Committee. At the year-end £30k was due to Wellington College (2013: £Nil).

### **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. Directors' and officers' risks are further mitigated by a comprehensive insurance policy and by the T&RA's incorporation into a company limited by guarantee. It is the responsibility of the Company to ensure, as far as reasonably practicable, 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, in compliance with all relevant club or school rules and legal requirements. The liability of each member is limited to £1.00, being the amount that each member undertakes to contribute in the event of the dissolution of the Company.

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

- Any 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 damages the T&RA's reputation as a responsible, well-managed body;
- Any failure to manage the income-generating activities in a properly commercial manner: leading to budget deficits and the inability to generate sufficient funds to underpin the T&RA's activities;
- Any significant reduction in the availability of sponsorship and grants funding: requiring cutbacks in the major programmes for the development of the Games such as the Club Professional Development programme and support for court development.

### **Future Plans**

The T&RA maintains a Strategic Plan and the current version dates from 2009, with the longer term plan running out to 2019. This plan is reviewed regularly and targets revised to align with expectations and practicality. The plan contains specific targets for membership and court development, and these are monitored by the Board. The longer term objective is to develop both games in the UK by supporting the development of new courts, increasing participation (with an emphasis on the young) and to develop the training of new and existing professionals via a structured programme.

### **Financial Statements**

The results for the year ended 30 June 2014 produced a net surplus of £61.3k which in line with expectations and an improvement on the previous 12 months. It is proposed that this surplus be transferred to reserves.

### **Development Expenditure**

Development expenditure is provided by the General Fund and the Restricted Funds, whilst further funds are expended via the T&RA's affiliated charitable entities, the Dick Bridgeman TRA Foundation and the Peter Kershaw Bursary Fund. In total £263k has been spent from these sources over the past four years, primarily on the following: £98k on Courts with investments in the second Rackets court at Tonbridge School and initial grants for the new Tennis court at Wellington College as well as improvements at Malvern College, Canford School, Jesmond Dene and Seacourt; £60k on Professionals' training and development; and £65k on Participation, including schools and universities initiatives. Significant further commitments are in the pipeline totalling in excess of £100k payable over the next two to three years, mainly in support of Rackets professionals and further grants to the Wellington Tennis court project.

**Statement of Disclosure of Information to Auditors**

There is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the auditors are aware of that information.

**Directors' Responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (United Kingdom Standards and applicable law). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Directors' Report is prepared in accordance with the Small Companies regime as defined by the Financial Reporting Standard for Smaller Entities (2008).

By Order of the Board

**C S Davies, Chief Executive and Company Secretary**  
**On behalf of the Board**  
**August 2014**

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TENNIS & RACKETS ASSOCIATION LIMITED**

We have audited the financial statements of The Tennis & Rackets Association Limited for the year ended 30 June 2014 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Bernie Watson (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor*

*26 Red Lion Square  
London  
WC1R 4AG*

*Date*

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014**

<b>£000</b>	Notes	General Fund	Restricted Funds	Year ended <b>30 Jun 14</b> Total	6 months to 30 Jun 13 Total
<b>Income</b>					
Subscriptions & Fees		142.7	0.0	<b>142.7</b>	91.3
Donations		32.3	2.4	<b>34.7</b>	1.9
Sponsorship		128.1	0.0	<b>128.1</b>	37.6
Development Income		9.4	0.0	<b>9.4</b>	13.7
Sales of Ball Cloth & Merchandise		23.4	0.0	<b>23.4</b>	13.6
Tournament & Other Income		25.7	0.0	<b>25.7</b>	13.9
<b>Total Income</b>		<u>361.6</u>	<u>2.4</u>	<u><b>364.0</b></u>	<u>172.0</u>
<b>Expenditure</b>					
Tournaments		84.4	0.0	<b>84.4</b>	48.2
Staff & Related Costs		104.2	0.0	<b>104.2</b>	53.0
Systems Development & Maintenance		10.2	0.0	<b>10.2</b>	6.6
Cost of Sales - Ball Cloth & Merchandise		20.2	0.0	<b>20.2</b>	11.0
Other Administration Costs		32.1	1.1	<b>33.2</b>	10.5
<b>Total Expenditure</b>		<u>251.1</u>	<u>1.1</u>	<u><b>252.2</b></u>	<u>129.3</u>
<b>Operating Surplus</b>		<u>110.5</u>	<u>1.3</u>	<u><b>111.8</b></u>	<u>42.7</u>
<b>Development</b>					
Courts		38.5	0.0	<b>38.5</b>	5.0
Professionals' Training		4.1	5.4	<b>9.5</b>	4.2
Participation		7.5	0.0	<b>7.5</b>	9.0
Other Development Costs		3.8	0.4	<b>4.2</b>	1.8
<b>Total Development</b>	10	<u>53.9</u>	<u>5.8</u>	<u><b>59.7</b></u>	<u>20.0</u>
<b>Surplus after Development</b>		<u>56.6</u>	<u>(4.5)</u>	<u><b>52.1</b></u>	<u>22.7</u>
<b>Other</b>					
Interest and Dividends	11	5.7	7.2	<b>12.9</b>	4.8
Profit on Disposal of Investments		1.1	0.0	<b>1.1</b>	2.3
Taxation	12	(0.4)	(0.2)	<b>(0.6)</b>	(0.9)
Exceptional Items	13	(0.7)	(3.5)	<b>(4.2)</b>	(1.5)
<b>Total Other</b>		<u>5.7</u>	<u>3.5</u>	<u><b>9.2</b></u>	<u>4.7</u>
<b>Balance to Reserves</b>		62.3	(1.0)	<b>61.3</b>	27.4
<b>Opening Reserves</b>		225.1	233.2	<b>458.3</b>	430.9
<b>Closing Reserves</b>	14	<u>287.4</u>	<u>232.2</u>	<u><b>519.6</b></u>	<u>458.3</u>

**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**BALANCE SHEET AT 30 JUNE 2014**

<b>£000</b>	Notes	<b>30 Jun 14</b>	30 Jun 13
<b>Fixed Assets</b>			
Investments	4	<u>384.8</u>	<u>334.4</u>
<b>Total Fixed Assets</b>		<u><b>384.8</b></u>	<u>334.4</u>
<b>Current Assets</b>			
Stocks	5	9.2	12.8
Debtors and Payments in Advance	6	14.7	15.5
Development Loan	7	4.0	4.8
Term Deposit		50.0	50.0
Deposit Account		19.6	19.6
Bank Balances		<u>110.8</u>	<u>53.6</u>
<b>Total Current Assets</b>		<u><b>208.3</b></u>	<u>156.3</u>
<b>Current Liabilities</b>			
Creditors and Accruals	8	(73.5)	(32.4)
<b>Net Assets</b>		<u><b>519.6</b></u>	<u>458.3</u>
<b>Unrestricted Funds</b>			
General Fund		<u>287.4</u>	<u>225.1</u>
<b>Total Unrestricted Funds</b>		<u><b>287.4</b></u>	<u>225.1</u>
<b>Restricted Funds</b>			
Young Professionals Fund		180.4	177.8
Museum Fund		0.0	3.6
Smithie Fund		10.0	10.0
Cockroft Rackets Fund		37.9	37.9
Tennis Support Fund		<u>3.9</u>	<u>3.9</u>
<b>Total Restricted Funds</b>		<u><b>232.2</b></u>	<u>233.2</u>
<b>Total Funds</b>	14	<u><b>519.6</b></u>	<u>458.3</u>

The financial statements have been prepared in accordance with the Special Provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Approved and authorised for issue by the Board on 13 August 2014 and signed on its behalf by:**

**W J Maltby, Chairman**

**R A Dalzell, Treasurer**



**THE TENNIS & RACKETS ASSOCIATION LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014**

**1. Comparative Figures**

The Tennis & Rackets Association Limited, a company limited by guarantee, commenced operations on 1 January 2013 with the assumption of all of the assets and liabilities of The Tennis and Rackets Association, the former members' association. The comparative figures cover the six month accounting period to and at 30 June 2013.

**2. Accounting Policies**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention using the accruals basis of accounting unless otherwise specified below. All accounting policies have been consistently applied.

The accounts have been prepared on a going concern basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and also in accordance with the Special Provisions in Part 15 of the Companies Act 2006, relating to small companies.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

**Income Recognition**

Memberships Subscriptions, Grants and Donations, Sponsorship, Entertainment and Development Income are recognised on a cash basis, whilst Corporate Membership Fees, Advertising, Sales of Ball Cloth and Merchandise and Other Income are recognised when invoiced and/or due.

**Grants**

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

**Investments**

The Fixed Asset Investments, comprising quoted equities and bonds, are held for the long term and are stated at cost.

**Stocks**

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

**Foreign Currencies**

Foreign currency income and balances are converted at the closing rate of exchange.

**3. Operating Leases**

Rentals payable in respect of property lease:

£000	
Less than one year	2.0
Two to five years	8.0
More than five years	36.0

**4. Investments**

The two portfolios of quoted investments, managed by Smith & Williamson, are as follows, at cost:

£000	2014	2013
General Fund	238.7	187.2
Young Professionals' Fund	146.1	147.2
Total	<u>384.8</u>	<u>334.4</u>

The market value at 30 June 2014 was £336.1k for the General Fund and £269.0k for the Young Professionals' Fund (£264.8k and £256.3k respectively at 30 June 2013)

**5. Stock**

£000	2014	2013
Ball cloth	5.1	9.3
Merchandise	2.7	2.4
Wine	1.4	1.1
Total	<u>9.2</u>	<u>12.8</u>

**6. Debtors and Payments in Advance**

£000	2014	2013
Debtors	6.7	9.1
Payments in Advance	2.8	3.1
Accrued Income	5.2	3.3
Total	<u>14.7</u>	<u>15.5</u>

**7. Development Loan**

£000	2014	2013
Newmarket and Suffolk Real Tennis Club	4.0	4.8
Interest-free Smithie loan for court improvements, repayable over five years to July 2017		

**8. Creditors and Accruals**

£000	2014	2013
Accounts Payable	3.9	7.6
HM Revenue & Customs	16.4	13.6
Accruals	53.2	11.2
Total	<u>73.5</u>	<u>32.4</u>

**9. Auditors' Remuneration**

£000	2014	2013
For audit services	2.7	1.5
For non-audit services	0.0	0.0

**10. Development**

Expenditure under this heading reflects the cost of pursuing the Company's strategic objectives, as follows:

£000	2014	2013
Courts – new courts and improvements to existing courts	38.5	5.0
Professionals – training and development	9.5	4.2
Participation – encouraging more people to play the games, particularly the young	7.5	9.0
Other – mainly new member incentives and fundraising costs	4.2	1.8
Total	<u>59.7</u>	<u>20.0</u>

The grant approved towards the cost of the proposed new Tennis court at Wellington College @ £30k is subject to a number of conditions which were yet to be satisfied at the balance sheet date.

**11. Interest and Dividends**

£000	<b>2014</b>	<b>2013</b>
Income from quoted investments	11.1	4.2
Interest receivable	1.8	0.6
Total	<u>12.9</u>	<u>4.8</u>

**12. Taxation**

£000	<b>2014</b>	<b>2013</b>
Corporation Tax	0.4	0.7
Capital Gains Tax	0.2	0.2
Total	<u>0.6</u>	<u>0.9</u>

**13. Exceptional Items**

£000	<b>2014</b>	<b>2013</b>
Acquisition of Tennis and Rackets memorabilia	4.2	1.5

**14. Movement in Funds**

£000	<b>31 Dec 12</b>	<b>Surplus/ (Deficit)</b>	<b>30 Jun 13</b>	<b>Surplus/ (Deficit)</b>	<b>30 Jun 14</b>
General Fund	200.7	24.4	225.1	62.3	287.4
Young Professionals' Fund	178.7	(0.9)	177.8	2.6	180.4
Museum Fund	5.0	(1.4)	3.6	(3.6)	0.0
Smithie Fund	10.0	0.0	10.0	0.0	10.0
Cockroft Rackets Fund	32.6	5.3	37.9	0.0	37.9
Tennis Support Fund	3.9	0.0	3.9	0.0	3.9
Total	<u>430.9</u>	<u>27.4</u>	<u>458.3</u>	<u>61.3</u>	<u>519.6</u>

**15. 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.