

Company Registration No: 08087723
Charity Registration No: 1148421

LTA Tennis Foundation

Annual Report and Financial Statements for the year ended 31 December 2021

LTA Tennis Foundation

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LTA Tennis Foundation Administrative Information

Board of Trustees

Timothy Lawler (appointed 2 July 2021)
Born Barikor
Serena Hedley-Dent (resigned 17 March 2022)
Christopher Mills
Cynthia Muller (appointed 2 July 2021)
Gavin Murgatroyd (resigned 17 March 2022)
Hitesh Patel (appointed 02 July 2021)
Alexander Pitt (appointed 2 July 2021)
Sandra Procter
Oliver Scadgell (appointed 2 July 2021)
Simon Steele

Company Secretary

Alice Lacroux

Registered (and Principal) Office

The National Tennis Centre
100 Priory Lane
Roehampton
London, SW15 5JQ

Independent Auditors

PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
1 Embankment Place, London, WC2N 6RH

Bankers

Coutts Bank,
44 Strand, London, WC2R 0QS

Solicitors

Farrer and Co,
66 Lincoln's Inn Fields
London, WC2A 3LH

Investment Managers

Cannacord Genuity Wealth Management
41 Lothbury, London EC2R 7AE

Brooks Macdonald Asset Management Limited
72 Welbeck Street, London W1G 0AY

JPMorgan Asset Management (Europe) S.à r.l.
European Bank & Business Centre, 6 route de Trèves,
L-2633 Senningerberg, Luxembourg

Rothschild Wealth Management (UK) Ltd
New Court, St Swithin's Lane
London EC4N 8AL

LTA Tennis Foundation

Report of the Trustees for the year ended 31 December 2021

The Board of Trustees of LTA Tennis Foundation (“the Foundation”) presents the annual report and the audited financial statements, for the year ended 31 December 2021. The trustees have prepared this report and financial statements in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, the Charities Act 2011 and Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

The Foundation is a registered charity and a company limited by guarantee, having no share capital. It was incorporated on 29 May 2012 and is bound by its Memorandum and Articles of Association. The Foundation was registered by the Charity Commission (Charity Number 1148421) on 2 August 2012. LTA Tennis Foundation, formerly The LTA Trust, was renamed on 1 April 2022.

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

The Foundation’s only member is LTA Operations Limited (“the LTA”). The Foundation is an independent charity with nine (2020: six) trustees, six (2020: four) independent and three (2020: two) appointed by the LTA. Though all trustees are appointed by the LTA, those that are independent do not sit on the LTA Board of Directors, nor are they paid by LTA for services. The LTA does not have control over the day to day operations.

Charitable Objectives of the Foundation

The object of the Charity is to advance for the public benefit such charitable purposes associated with the game of tennis in any part of the Great Britain that are consistent with the purposes of the Lawn Tennis Association from time to time as the Trustees may in their absolute discretion determine and (save for purposes incidental and ancillary to those objects) no other purposes.

The Foundation only invests in projects that are for the public's benefit and meet its charitable objectives.

Achievements and Performance

During 2021, the Foundation made significant progress towards achieving its charitable objectives. LTA Youth Programme was launched, with its introduction to both primary and secondary schools complementing the delivery of the programme by coaches in tennis clubs and venues right across the country.

£1.2m was spent on the LTA Youth programme to help provide skills for life, not just for tennis, and will help develop children as both players and people. Not only does it help address the challenge our nation is facing of declining levels of physical literacy and activity among children, but it also provides a great way of developing personal and character skills such as perseverance, resilience and respect.

Grant funding for the installation of gate access systems was approved at 99 further venues to build on success of 2020 and 26 quick access loans were awarded to venues looking to improve their facilities. During the year, £1.0m grant funding (2020: £1.3m) and £1.9m (2020: £2.9m) loan funding was committed towards venues projects as part of the LTA Group's facility investment strategy which the Foundation provides funding towards. The projects that were awarded grant and loan funding included development of tennis facilities in parks, clubs, schools and universities to provide affordable access of these facilities to the community.

All funding applications to the Foundation are assessed against the objectives of the Foundation and the outcomes of funding provided will be monitored and reviewed so that insight can be applied to future applications.

LTA Tennis Foundation

Report of the Trustees for the year ended 31 December 2021

Public Benefit

The trustees confirm that they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and seek to meet the Foundation's charitable purposes in following its objectives.

Structure, Governance and Management

The Trustees

The appointment of the trustees is governed by the Foundation's Articles of Association. Trustees are appointed by LTA Operations Limited in its capacity as the sole member of LTA Tennis Foundation, for their specific expertise in areas relevant to the charity.

Upon appointment, all new trustees are made familiar with the terms of the charitable company's governing documents, its objectives and aims as part of the formal induction process. Trustees are assisted in the fulfilment of their duties, with on-going training provided as appropriate.

The Board comprises nine (2020: six) trustees who met seven (2020: six) times during the year. Further details of the trustees can be found on page 3.

During the year, Timothy Lawler, Cynthia Muller, Hitesh Patel, Alexander Pitt and Oliver Scadgell were appointed as Trustees. These Trustees all previously sat on the board of Tennis Foundation (Legacy) and were appointed to the board of LTA Tennis Foundation after the merger of both charities on 1 July 2021.

Management

A major aspect of the Foundation's work is the provision of capital and revenue grants and loan funding. Applications that are eligible for funding are assessed, in principle, on behalf of the Foundation by the Facilities Investment Panel of the LTA in line with its Facilities Strategy. Final approval on whether the Foundation's funds are utilised for those projects is at the Board's discretion as the ultimate decision maker. A service level agreement is in place under which the LTA provides administrative services to the Foundation and administers grant and loan funding awards on behalf of the Foundation.

Financial Review

The statement of financial activities for the year is set out on page 11 of the financial statements.

The total net movement in funds for the year ended 31 December 2021 was a surplus of £4.0m (2020: £0.2m surplus).

Incoming resources of £5.2m (2020: £0.3m) were largely due to the £4.9m transfer of net assets from The Tennis Foundation (Legacy) on 1st July 2021, as well as dividends received from the investment portfolio of £0.3m (2020: £0.3m). In the year there was £0.1m (2020: £0.1m) of expenditure on management fees associated with the investment portfolio.

A net gain on the investment portfolio of £1.2m (2020: £0.7m gain) also contributed to the surplus in the year. The total net assets held by the Foundation at 31 December 2021 were £41.6m (2020: £37.6m) with £0.3m restricted funds held (2020: £nil); the restricted reserves were transferred with the other assets of The Tennis Foundation (Legacy) on 1 July 2021, further details of which can be found in Note 11.

LTA Tennis Foundation

Report of the Trustees for the year ended 31 December 2021

Responsibilities and Policies

Conflicts of Interest Policy

The Foundation's Conflict of Interest policy sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest. Trustees are required to complete an annual declaration of conflicts and to state any new conflicts at the beginning of each meeting.

Reserves Policy

The reserves policy of the Foundation is to maintain reserves to meet the commitments made under its facility investment strategy which aims to support and invest in community accessible tennis facilities. The majority of the Foundation's reserves will be recycled through providing loan funding to third parties however grants will also be awarded. Future loan repayments are likely to be the primary source for replenishing the Foundation's reserves.

Risk Management

The Board has assessed the major risks to which the charity is exposed as being: too few sources of income, negative publicity, failure to meet legal requirements, exposure to fraud and not having adequate insurance cover. Trustees have reviewed these areas of potential risk and concluded that, operationally, these risks are significantly mitigated; record keeping is performed by the LTA which has robust internal controls, insurance cover is reviewed every year. Processes, governance, policies, and Charity Commission check lists are regularly featured and reviewed in board meetings to ensure all legal requirements are met. Long term commitments are not made without having the adequate financial resources available, and investments and reserve policies are reviewed periodically.

Investment Policy

The investment policy of the Foundation is to generate a positive financial return on funds over the medium term through a balanced portfolio with a low risk profile and low capital volatility. The portfolio is to be fully liquid so that funds can be invested in projects as the need arises.

The Board has delegated responsibility to Lawn Tennis Association Limited's Investment Advisory Group (IAG) to implement the investment policy and monitor the performance of the Foundation's investments. The Board is updated on the performance of the investments during each board meeting and seeks professional advice when appropriate, while in addition one of the Foundation's Trustees is also currently a member of IAG.

Indemnity Insurance

Directors' and Officers' Liability Insurance to indemnify the trustees against the consequence of neglect or default on their part is purchased by the LTA but not recharged to the Foundation.

Related Parties

The Foundation works closely with Lawn Tennis Association Limited, the national governing body of tennis in Great Britain in pursuit of its charitable objectives.

For further information on related parties see Note 17 of the Financial Statements.

The Report of the Trustees was approved and authorised for issue by the Board of Trustees on 7 June 2022 and signed on its behalf by:



T Lawler
Chair of Board of Trustees

7 June 2022

LTA Tennis Foundation

Statement of the Trustees' Responsibilities

The trustees (who are also directors of LTA Tennis Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, trustees' reports shall include a statement, in the case of each trustee in office at the date the trustees' report is approved, that:

- so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Statement of Trustees' Responsibilities was approved and authorised for issue by the Board of Trustees on 7 June 2022 and signed by its order by:



T Lawler
Chair of Board of Trustees

LTA Tennis Foundation

Independent Auditors' Report to the Members of LTA Tennis Foundation

Report on the audit of the financial statements

Opinion

In our opinion, LTA Tennis Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of financial activities (incorporating an income and expenditure statement), and cash flow statement for the year then ended; the accounting policies; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

LTA Tennis Foundation

Independent Auditors' Report to the Members of LTA Tennis Foundation

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LTA Tennis Foundation

Independent Auditors' Report to the Members of LTA Tennis Foundation

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed included:

- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in its accounting estimates; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations, journals posted by senior management and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London EP
7 June 2022

LTA Tennis Foundation
Statement of Financial Activities
Incorporating an income and expenditure account
for the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Unrestricted Funds 2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000
Income and endowments							
Funds received	2	4,532	340	4,872	-	-	-
Income from investments	3	280	-	280	312	-	312
Total income and endowments		4,812	340	5,152	312	-	312
Expenditure							
Expenditure on raising funds, audit, and other expenses	4	(235)	-	(235)	(77)	-	(77)
Expenditure on charitable activities	5	(2,118)	5	(2,113)	(805)	-	(805)
Total expenditure		(2,353)	5	(2,348)	(882)	-	(882)
Other recognised gains							
Net gain on investments		1,232	-	1,232	725	-	725
Net income		3,691	345	4,036	155	-	155
Net movement in funds		3,691	345	4,036	155	-	155
Fund balances brought forward at 1 January	10 & 11	37,609	-	37,609	37,454	-	37,454
Fund balances carried forward at 31 December	10 & 11	41,300	345	41,645	37,609	-	37,609

The net movement in funds for the years derives from the continuing activities of the Foundation.

The Foundation has no recognised gains or losses other than the net gain or loss in funds for the years stated above.

There is no material difference between the net movement in funds stated and their historical cost equivalents.

The notes on pages 14 to 19 form part of these financial statements.

LTA Tennis Foundation

Company Registration No: 08087723

Charity Registration No: 1148421

Balance Sheet as at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments in subsidiary undertaking	7	-	-
Tangible assets	8	-	-
Investments	9	42,195	39,407
Current assets			
Trade and other receivables – amounts falling due after more than one year	14	1,550	458
Trade and other receivables – amounts falling due within one year	14	339	95
Cash at bank and in hand	15	1,331	611
		<u>3,220</u>	<u>1,164</u>
Creditors: amounts falling due within one year	16	(3,770)	(2,962)
Net current liabilities		<u>(550)</u>	<u>(1,798)</u>
Net assets		<u>41,645</u>	<u>37,609</u>
The funds of the charity:			
Unrestricted income funds	10	41,300	37,609
Restricted income funds	11	345	-
Total Charity funds		<u>41,645</u>	<u>37,609</u>

The financial statements on pages 11 to 19 were approved and authorised for issue by the Board of Trustees on 7 June 2022 and signed on its behalf by:



S Steele
Trustee

LTA Tennis Foundation

Cash Flow Statement for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Net cash used from operating activities:			
Net cash flows from operating activities	13	1,996	(1,443)
Cash flow from investing activities			
Receipts from sale of fixed asset investments		5,509	3,248
Payments to acquire fixed asset investments		(6,765)	(2,348)
Investments cash following merger		247	-
Interest received		-	1
Income from fixed asset investments		280	311
Net cash (used in)/generated from investment activities		(729)	1,212
Cash and cash equivalents at the beginning of the year		1,156	1,387
Net increase/(decrease) in cash and cash equivalents		1,267	(231)
Cash and cash equivalents at the end of the year		2,423	1,156
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,331	611
Cash held for investment purposes		1,092	545
Cash and cash equivalents		2,423	1,156

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

The notes on pages 14 to 19 form part of these financial statements

LTA Tennis Foundation

Notes to the Financial Statements

1 Statement of accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, Charities Act 2011 and applicable United Kingdom Accounting Standards. The financial statements also comply with the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). The Foundation has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Foundation's activities. The Trustees believe the Foundation will be able to meet its debts as they fall due given the high level of liquid investments held and as such have prepared the financial statements on a going concern basis. The accounting policies have been applied consistently.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and as such no strategic report has been prepared.

LTA Tennis Foundation has one wholly owed subsidiary, TF Enterprises Limited. As the results of the subsidiary are not considered material, consolidated financial statements have not been prepared in accordance with the exemption under Companies Act 2006 s400.

b) Fund accounting

The Foundation's funds comprise:

- unrestricted funds which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes;
- restricted funds which may only be used in accordance with specific restrictions imposed by the donor. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Foundation is entitled to the income and the amount can be quantified with reasonable accuracy.

i) Gift aid

Donations under gift aid together with income tax recoverable are recognised when the donation is receivable.

ii) Investment income

Investment income from investments is recognised on an accruals basis and reinvested. Interest income from cash at bank is recognised on an accruals basis. Credit is taken for interest in the period in which the Foundation is entitled to receipt.

All incoming resources are generated in the United Kingdom.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that activity.

i) Investment management costs

Investment management costs comprise the costs directly associated with management of the Foundation's investments. These are deducted from investments by fund managers and hence included in the net value of investments.

e) Taxation

No charge to corporation tax arises as the Company is a registered charity. The Foundation is not registered for value added tax (VAT) and, accordingly its expenditure is recorded inclusive of any VAT incurred.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

2 Funds received	2021 £000	2020 £000
Funds received	4,872	-
	<u>4,872</u>	<u>-</u>

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

3 Income from investments	2021 £000	2020 £000
Income from listed investments and investment funds	280	311
Interest from cash deposits	-	1
	<u>280</u>	<u>312</u>

4 Expenditure on raising funds, audit, and other expenses	2021 £000	2020 £000
Investment management costs	100	70
Audit fee	4	3
Administrative expenses	131	4
	<u>235</u>	<u>77</u>

5 Expenditure on charitable activities	2021 £000	2020 £000
Facility grants awarded	2,113	805
	<u>2,113</u>	<u>805</u>

6 Employees

The average monthly number of full time employees (excluding Trustees) employed directly by the Foundation during the year was nil (2020: nil).

Trustees remuneration

During the year no trustees received remuneration nor reimbursement for expenses from the Foundation.

7 Investments in subsidiary undertaking

On 1 July 2021 LTA Tennis Foundation became the sole shareholder of TF Enterprises Limited, a company that was previously wholly owned by The Tennis Foundation (Legacy).

The principal activity of the subsidiary undertaking (TF Enterprises Limited) is to receive sponsorship and undertake other commercial activities on behalf of LTA Tennis Foundation, though there was no sponsorship other other commercial activity during the period. A summary of the audited results of TF Enterprises Limited at 31st December is shown below:

	2021 £000	2020 £000
Turnover	-	-
Loss for year after taxation	(1)	(1)
Net assets:		
At beginning of year	7	8
At end of year	6	7
TF Enterprises Limited	-	-
100 (2020: 100) ordinary shares of £1 each (100% of the company)	-	-

LTA Tennis Foundation

Notes to the Financial Statements (continued)

8 Tangible Fixed Assets

	Technology Development £000	Field Equipment £000	Total £000
Cost:			
at 1 January 2021	-	-	-
Additions	-	-	-
Disposals	-	-	-
Transfer from The Tennis Foundation (Legacy)	29	19	48
at 31 December 2021	29	19	48
Accumulated depreciation:			
at 1 January 2021	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
Transfer from The Tennis Foundation (Legacy)	(29)	(19)	(48)
at 31 December 2021	(29)	(19)	(48)
NBV at 31 December 2021	-	-	-
NBV at 31 December 2020	-	-	-

On 1 July 2021 tangible assets were transferred from The Tennis foundation (Legacy) to LTA Tennis Foundation.

9 Investments

	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000	2020 £000
Listed securities at market value:	Canaccord	Fidelity	JP Morgan	Brooks Macdonald	Rothschild	Total	Total
Balance at beginning of year	7,934	11,761	11,768	7,944	-	39,407	39,444
Additions during the year	1,459	-	-	638	4,668	6,765	2,347
Disposals during the year	(1,588)	(1,504)	(1,500)	(677)	(240)	(5,509)	(2,748)
Fund cash movement	205	-	-	152	(38)	320	(306)
Fair value increase/(decrease)	670	1	-	554	(12)	1,212	670
Balance at end of year	8,680	10,258	10,268	8,611	4,378	42,195	39,407
Listed securities at historical cost						38,422	37,061

The Foundation holds investments in shares, fixed interest products and corporate bonds as part of its low risk investment strategy providing an investment return for the Foundation. The trustees believe that the carrying value of the investments is supported by the underlying net assets. On 1st July 2021, investments with a market value of £4,378k held by The Tennis Foundation (Legacy) in Rothschild & Co were transferred to LTA Tennis Foundation.

10 Unrestricted income funds

	Fund at start of 2021 £000	Income £000	Expenditure £000	Net income £000	Fund at end of 2021 £000
General unrestricted funds	34,036	4,812	(2,353)	2,459	36,495
Other unrestricted recognised gains	3,573	1,232	-	1,232	4,805
Total unrestricted funds	37,609	6,044	(2,353)	3,691	41,300

LTA Tennis Foundation

Notes to the Financial Statements (continued)

11 Restricted income funds

	Fund at start of 2021 £000	Income £000	Expenditure £000	Net income £000	Fund at end of 2021 £000
Restricted funds	-	340	5	345	345
Total restricted funds	-	340	5	345	345

On 1 July 2021, the net assets of The Tennis Foundation (Legacy) totalling £4,872k were transferred to LTA Tennis Foundation, including restricted funds of £340k detailed below.

	Fund at start of year £000	Income £000	Expenditure £000	Net income £000	Fund at end of year £000
Restricted Funds					
ITI Fund	-	22	5	27	27
Cliff Richard Tennis Trail - General	-	143	-	143	143
Cliff Richard Tennis Trail - Suffolk	-	5	-	5	5
Seed Legacy Fund	-	61	-	61	61
PESSYP	-	6	-	6	6
Murton Pitts	-	24	-	24	24
Intercity Challenger Fund	-	41	-	41	41
BSTA	-	3	-	3	3
The Harris Fund	-	10	-	10	10
Keith Baker Fund	-	23	-	23	23
Comic Relief	-	2	-	2	2
Total restricted funds	-	340	5	345	345

Purposes of each fund:

ITI Fund - To provide capital and revenue grant aiding for indoor and outdoor tennis facilities on local authority land

Cliff Richard Tennis Trail - General - For the development of tennis in primary schools

Cliff Richard Tennis Trail - Suffolk - For the development of tennis in Suffolk

Seed Legacy Fund - To support Junior Development Programmes

PESSYP - To support the Club Links Programme to increase the number of accredited clubs, school sports partnerships and the number of young people participating in accredited clubs

Murton Pitts - For the development of young players in Kent

Intercity Challenger Fund - To promote competition for inner-city tennis clubs

BSTA - British Schools Tennis Association to promote tennis in schools

The Harris Fund - For the support of Kent LTA

Keith Baker Fund - For the support of deaf tennis

Comic Relief - For the support of the Serves programme in named sites in Manchester, Birmingham and 2 sites in London

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

12 Analysis of net assets between funds

	Unrestricted Funds 2021 £000	Restricted Funds 2021	Total Funds 2021 £000	Total Funds 2020 £000
Cash	986	345	1,331	611
Investments	42,195	-	42,195	39,407
Trade and other receivables	1,889	-	1,889	553
Creditors	(3,770)	-	(3,770)	(2,962)
Total	41,300	345	41,645	37,609

13 Reconciliation of profit for the financial year and cash flow from operating activities

	Note	2021 £000	2020 £000
Profit for the financial year		4,036	155
Interest receivable	3	-	(8)
Investment income receivable	3	(280)	(304)
Net gain on investments		(1,232)	(725)
Operating Profit		2,524	(882)
Increase in receivables	14	(1,336)	(575)
Increase in creditors	15	808	14
Cash inflow/(outflow) from operating activities		1,996	(1,443)

14 Trade and other receivable

	2021 £000	2020 £000
Trade and other receivables – amounts falling due after more than one year	1,550	458
Trade and other receivables – amounts falling due within one year	339	95
	1,889	553

15 Cash at bank and in hand

	2021 £000	2020 £000
Cash at 1 January	611	958
Net increase/(decrease) in cash and cash equivalents	720	(347)
Cash at 31 December	1,331	611

16 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Creditors due within one year	(3,770)	(2,962)
	(3,770)	(2,962)

17 Related parties

The Lawn Tennis Association Limited is the national governing body of tennis in Great Britain, the Channel Islands and the Isle of Man. Its objectives are to promote and develop tennis and to advance and safeguard the interests of the sport. During the year ended 31 December 2021 the LTA donated £nil (2020: £nil) to the Foundation. Governance and administration costs (other than 2020's audit fees) and costs linked to the strategic management of the charity are borne by the LTA.

During the year, LTATF paid £459k (2020: £nil) to another group entity, LTA Operations Limited, to cover the delivery costs of the LTA Youth programme.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

18 Ultimate Controlling Party

The Foundation is a company limited by guarantee and the members undertake to contribute £1 in the event of the company being wound up. As at 31 December 2021 there was one member, being LTA Operations Limited.

The Foundation is an independent charity with nine (2020: six) trustees, six (2020: four) independent and three (2020: two) appointed by the LTA. Though all trustees are appointed by the LTA, those that are independent do not sit on the LTA Board of Directors, nor are they paid by LTA for services. The LTA does not have control over the day to day operations.