

**THE
TENNIS & RACKETS
ASSOCIATION
LIMITED**

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

Trustees' Report and Consolidated Financial Statements

For the year ended 30 June 2021

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THE TENNIS & RACKETS ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE DATA AT 30 JUNE 2021

TRUSTEES	David K Watson (Chairman) James Coyne (resigned 1 July 2020) Mark K M Farmiloe Charles J Foreman Alan C B Giddins Kathryn J Leppard William J Maltby Andrew C Power (Treasurer) Fred C Satow Rory D Sutton (appointed 1 July 2020) Christopher Vigrass
COMPANY SECRETARY	Christopher S Davies
COMPANY NUMBER	07819045
CHARITY NUMBER	1167866
REGISTERED ADDRESS	c/o The Queen's Club Palliser Road West Kensington, London W14 9EQ
PORTFOLIO MANAGERS	Brown Advisory 6-10 Bruton Street, London, W1J 6PX 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 2021

Introduction

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

The charity is governed by its Board of Trustees. Members of the Board are the Directors of the Company and the Trustees of the Charity. The Trustees present their Report together with the Financial Statements for the year ended 30 June 2021.

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;
- Providing grants or loans to clubs, schools and universities to assist in the provision of facilities for Tennis and Rackets, both for new courts and for the improvement of existing facilities.

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

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

Values

The T&RA is committed to work for the benefit of all 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

Rackets.

Rackets tournaments have not been held in the last twelve months due to the pandemic; the most significant unplayed tournaments have included the World Doubles Challenge, Men's and Ladies' Opens, as well as the National Schools

Tournaments for school boys and girls. However, internal Rackets has continued at the schools for much of the year, although inter school matches have not been possible.

Tennis.

Tennis tournaments have been mostly postponed, including the World Singles Challenge, although the Junior Open was held belatedly; likewise, the Under 18 Handicap, played at Wellington. Real Tennis at schools has continued through much of the year and clubs were able to open their doors to under 18s in an Out of School Setting, resulting in the junior game continuing to make some progress.

Covid-19

The most significant event to influence 2020/21 has been the Covid-19 pandemic. Impact on the finances has been largely cost neutral and the usual support to tournaments has been much reduced but offset by increased grants to assist young and more senior professionals. This support was designed to protect their continued training and employment during any period of reduced activity arising out of the suspension or reduction in play, hence protecting the future capability of play in the UK. Through the darkest days, the office was on reduced manpower, resulting in a small reduction in staff costs. The T&RA has also supported clubs as they returned to play and has initiated the Investing in Professionals (IiP) programme, using many volunteers to drive this important programme to the starting line. There has also been one-off additional expenditure to support on-line booking in line with post lockdown measures implemented on court timings. The key longer-term risk is membership retention, although few members have left the Association through the renewal cycle.

Financial Statements

The consolidated results for the year ended 30 June 2021 show a net profit of £76.4k compared with a loss of £22.0k in the prior year. This reflects a significant decrease in grants to £29.6k from £123.8k the previous year, due to delays to the start of the full IiP programme and to club plans around facilities development. We continue to have a small number of generous individual patrons and members who have contributed donations (including appropriate gift aid) of £103.8k (2020: £82k). T&RA membership grew slightly to 3679 from 3601, which is a tribute to players' continuing support of the games. There was little income or expenditure related to tournaments, as most were cancelled due to the pandemic.

The current year shows movement in funds of plus £379.7k compared with a negative £117.4k in the previous year. This principally was caused by £303.3k of net gains on investments in 2020/21 compared to investment losses of £95.4k in the prior year, as well the movement of net income to a gain in the current year from a loss the previous year. During this period the T&RA's Investment Committee has been actively engaged with its fund managers. The year's gain will be transferred to reserves.

Reserves Policy

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

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

At 30 June 2021 these amounted to approximately £375k.

The actual unrestricted reserves at 30 June 2021 were £1,986k and these reserves 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 £29.6k. Grants for court redevelopment and maintenance were £4.5k and expenses for development of professionals were £18.1k.

Over the past eight years, the T&RA has invested £700k back into the games. £470k 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. £175k has been spent on Professionals' training and development including IiP,

TRACS (a project to recruit more professionals into the games) and the Club Professional Development programme. A further £75k has been spent on Participation, including on schools, universities and the Dedanists' Juniors' programmes.

Grant Making Policy

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

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

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

- The proposed grant is an appropriate and effective way of utilising the T&RA's assets to advance its charitable purposes;
- 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 25 November 2020: Mr RD Sutton was approved as a Trustee; and Mr C Vigrass was reappointed and approved as a Trustee. 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 primarily volunteers who give their time to support activities that can be dealt with more effectively on a collective basis.

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

Linked Charity – The Dick Bridgeman TRA Foundation (DBTRAF)

David Kenneth Watson and Andrew Charles Power have performed the role of Trustees since 20 March 2019.

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. The T&RA has produced and regularly updated Play Safe guidance to enable players to return to the games following the recent uncertainties and disruptions caused by the Covid-19 pandemic. Work is ongoing to address specific areas of concern, in particular, eye protection for players, which has formulated policy advice and a best practice list of suitable eyewear. The Board has approved a Safeguarding Policy which has been distributed and clarified to all Clubs, with a voluntary National Designated Officer reporting to the Chief Executive. The Child Protection Officer continues to maintain the register of Disclosure and Barring Service checks, and facilitates the process. Directors' and officers' risks are further mitigated by a comprehensive insurance policy and by the T&RA's incorporation into a limited company. The liability of each member is limited to £1.00, being the amount that each member undertakes to contribute in the event of the winding-up of the Company. The Company endeavours to protect, as far as reasonably practicable and in conjunction with partner organisations where relevant, the health, safety and welfare of employees, volunteers, members and its guests whilst they are in the Association's offices or at one of its events, and in compliance with all relevant club or school rules and legal requirements.

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

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

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

Future Plans

The T&RA maintains a Strategic Plan which is reviewed regularly. The plan contains specific targets for membership, participation and court development, and these are monitored by the Board. The longer-term objective is to encourage amateur sport for the general public by developing both games in the UK. This will be achieved by supporting the

development of new courts, increasing participation (with an emphasis on the young) and to develop the training of new and existing coaches via a structured programme.

Funds held as Custodian Trustee on behalf of others

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

Trustees' Responsibilities

The Trustees, who are also Directors of 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 charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website.

By Order of the Board

A handwritten signature in black ink, appearing to read 'C S Davies', with a horizontal line underneath.

C S Davies, Chief Executive and Company Secretary

On behalf of the Board

18 August 2021

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 2021 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

Date: 24 August 2021

THE TENNIS & RACKETS ASSOCIATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2021

£000s	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Year ended 30 Jun 21 Total	Year ended 30 Jun 20 Total
INCOME						
Donations	3	70.4	33.4	0.0	103.8	82.0
Charitable activities	5	167.6	0.0	0.0	167.6	217.7
Trading activities	7	0.0	0.0	0.0	0.0	72.9
Investments		42.0	5.5	8.8	56.3	48.9
Total Income		280.0	38.9	8.8	327.7	421.5
EXPENDITURE						
Raising funds	4	8.3	1.6	1.7	11.6	20.3
Charitable activities	5	216.9	19.9	2.9	239.7	341.3
Trading activities	7	0.0	0.0	0.0	0.0	81.9
Total Expenditure		225.2	21.5	4.6	251.3	443.5
Net income		54.8	17.4	4.2	76.4	(22.0)
Net gains/(losses) on investments	8	219.0	58.0	26.3	303.3	(95.4)
Net movement in funds	20	273.8	75.4	30.5	379.7	(117.4)
Total funds brought forward	20	1711.0	478.1	236.4	2425.5	2542.9
New funds		1.6	(1.6)	0.0	0.0	0.0
Total funds carried forward	20	1986.4	551.9	266.9	2805.2	2425.5

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
COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2021

£000s	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Year ended 30 Jun 20 Total
INCOME					
Donations	3	75.0	7.0	0.0	82.0
Charitable activities	5	217.7	0.0	0.0	217.7
Trading activities	7	72.9	0.0	0.0	72.9
Investments		32.9	6.6	9.4	48.9
Total Income		398.5	13.6	9.4	421.5
EXPENDITURE					
Raising funds	4	14.6	3.4	2.3	20.3
Charitable activities	5	314.9	14.3	12.1	341.3
Trading activities	7	81.9	0.0	0.0	81.9
Total Expenditure		411.4	17.7	14.4	443.5
Net income		(12.9)	(4.1)	(5.0)	(22.0)
Net gains/(losses) on investments	8	(61.9)	(12.0)	(21.5)	(95.4)
Net movement in funds	20	(74.8)	(16.1)	(26.5)	(117.4)
Total funds brought forward	20	1785.8	494.2	262.9	2542.9
Total funds carried forward	20	1711.0	478.1	236.4	2425.5

THE TENNIS & RACKETS ASSOCIATION LIMITED
GROUP BALANCE SHEET AT 30 JUNE 2021

£000s	Notes	30 Jun 21	30 Jun 20
FIXED ASSETS			
Tangible Assets		1.2	2.5
Listed Investments			
Unrestricted funds		1904.9	1496.8
Restricted funds		413.6	293.6
Endowment fund		271.1	230.9
Total Investments	10	<u>2589.6</u>	<u>2021.3</u>
Total Fixed Assets		<u>2590.8</u>	<u>2023.8</u>
CURRENT ASSETS			
Stocks	11	18.0	13.3
Debtors and payments in advance	12	54.0	38.6
Cash at bank and in hand		240.7	449.5
Total Current Assets		<u>312.7</u>	<u>501.4</u>
CURRENT LIABILITIES			
Creditors and accruals	13	(98.3)	(99.7)
TOTAL NET ASSETS		<u>2805.2</u>	<u>2425.5</u>
FUNDS			
Unrestricted funds	19	1986.4	1711.0
Restricted funds	19	551.9	478.1
Endowment fund	19	266.9	236.4
TOTAL FUNDS	19	<u>2805.2</u>	<u>2425.5</u>

For the financial year ending 30 June 2021 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.

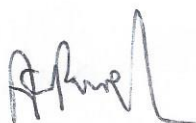
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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 18 August 2021 and signed on its behalf by:



D K Watson, Chairman



A C Power, Treasurer


THE TENNIS & RACKETS ASSOCIATION LIMITED
CHARITY BALANCE SHEET AT 30 JUNE 2021

£000s	30 Jun 21	30 Jun 20
FIXED ASSETS		
Tangible Assets	1.2	2.5
Listed investments		
Unrestricted funds	880.2	628.6
Restricted funds	413.6	293.6
Total listed investments	1293.8	922.2
Investment in subsidiary	0.1	0.1
Total Investments	1293.9	922.3
Total Fixed Assets	1295.1	924.8
CURRENT ASSETS		
Stocks	18.0	13.3
Debtors and payments in advance	56.4	41.8
Cash at bank and in hand	163.4	313.8
Total Current Assets	237.8	368.9
CURRENT LIABILITIES		
Creditors and accruals	(89.1)	(81.7)
TOTAL NET ASSETS	1443.8	1212.0
FUNDS		
Unrestricted funds	904.0	752.0
Restricted funds	539.8	460.0
TOTAL FUNDS	1443.8	1212.0

The Charity's income for the year ended 30 June 2021 is £276.4k, expenditure is £225.3k and net gain on investments are £180.7k; the surplus for the year is £231.8k.

Approved and authorised for issue by the Board on 18 August 2021 and signed on its behalf by:


D K Watson, Chairman


A C Power, Treasurer

THE TENNIS & RACKETS ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting Policies

Basis of Preparation

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

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

Going Concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of the financial position, reserve levels and future plans gives the Trustees confidence that the Charity remains a going concern for the foreseeable future. In light of the post-Covid 19 fallout, 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.

Support Costs

Support costs shown within Charitable Activities, including staff costs, communications and IT, governance costs and general administration, have been allocated to Trading Activities on the basis of a weighted average estimate of 0% (2020: 7%) of the time spent on sponsorship and professional tournaments.

Operating Leases

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

Investments

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Funds

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

Employee Benefits

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

Cash Flow Statement

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

Legal Status

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

2. Judgement

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

3. Donations

£000	2021	2020
Benefactors	28.2	23.3
Charitable Donations	37.1	28.7
Gift Aid	38.5	30.0
Total donations	103.8	82.0

4. Raising Funds

£000	2021	2020
Investment management fees	11.6	20.3

5. Charitable activities

£000	2021	2020
Income		
Membership subscriptions	152.5	164.8
Amateur tournaments	1.4	19.6
Sales of ball cloth, rackets balls, etc.	7.1	22.2
Advertising in annual report	3.8	3.7
Other	2.8	7.4
Total income	<u>167.6</u>	<u>217.7</u>
Expenditure		
Grants - in pursuit of the Company's objects:		
Courts - new courts and improvements to existing courts	4.5	94.7
Professional coaches - training and development	18.1	22.7
Participation - encouraging more people to play, particularly the young	5.4	9.0
Other	1.6	(2.6)
Total grants	<u>29.6</u>	<u>123.8</u>
Amateur tournaments	<u>3.7</u>	<u>20.3</u>
Support and Governance Costs		
Staff costs	142.8	140.6
Cost of sales of ball cloth, etc.	4.4	18.3
Communications and IT	43.4	23.5
Auditor's remuneration	2.2	2.0
Other administrative costs	13.6	24.6
Total support costs	<u>206.4</u>	<u>209.0</u>
Less: allocated to trading activities	<u>(0.0)</u>	<u>(11.8)</u>
	<u>206.4</u>	<u>197.2</u>
Total net expenditure	<u>239.7</u>	<u>341.3</u>

6. Staff Costs and Numbers

	2021	2020
£000		
Salaries and wages	126.3	122.4
Social security costs	7.6	9.4
Pension Contributions	8.9	8.8
Total	<u>142.8</u>	<u>140.6</u>

The total remuneration including benefits of the charity's key management personnel amounts to £63.0k (2020: £62.0k).

The average number of employees during the year was 5 (2020: 5).

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

7. Trading activities

£000	2021	2020
Income		
Sponsorship	0.0	21.0
Non-charitable donations	0.0	33.0
Professional tournaments	0.0	18.9
Total income	0.0	72.9
Expenditure		
Professional tournaments	0.0	69.9
Allocated support costs	0.0	12.0
Total expenditure	0.0	81.9

8. Net gains/(losses) on investments

£000	Unrestricted	Restricted	Endowment	Total 2021	Total 2020
Realised gains/(losses) on investments					
Historical cost gains/(losses)	94.4	22.8	3.8	121.0	143.3
Less (gains)/losses recognised in prior years	43.6	6.6	0.0	50.2	164.6
Gains/(losses) recognised in current year	50.8	16.2	3.8	70.8	(21.4)
Unrealised gains/(losses) on investments					
Market value at 30 June	1904.9	413.6	271.1	2589.6	2021.3
Cost at 30 June	(1737.7)	(372.5)	(248.6)	(2358.8)	(1798.4)
Unrealised gain in portfolio	167.2	41.1	22.5	230.8	222.9
Less recognised in prior years	(218.5)	(5.8)	3.7	(220.6)	(461.5)
Transferred to realised gain	219.9	6.6	(3.7)	222.8	164.6
Accrued income	(0.4)	(0.1)	0.0	(0.5)	0.0
Unrealised gains/(losses) in current year	168.2	41.8	22.6	232.6	(74.0)
Net gains/(losses) on investments	219.0	58.0	26.3	303.3	(95.4)

9. Operating Lease

Rentals payable in respect of a property lease:

£000	2021	2020
Less than one year	2.0	2.0
Two to five years	8.0	8.0
More than five years	22.0	24.0

10. Investments

Group £000	Unrestricted	Restricted	Endowment	Total 2021	Total 2020
Listed Investment assets in the UK:					
Market value at beginning of period	1496.8	293.6	230.9	2021.3	2312.5
Additions to investments at cost	955.4	420.3	13.8	1389.5	436.0
Additions to investments through accumulations	0.4	0.1	0.0	0.5	1.5
Sales proceeds from disposals	(766.7)	(358.4)	0.0	(1125.1)	(633.3)
Net realised gains/(losses) on disposals	50.8	16.2	3.8	70.8	(21.4)
Net unrealised gains/(losses) on revaluation	168.2	41.8	22.6	232.6	(74.0)
Market value at 30 June 2021	1904.9	413.6	271.1	2589.6	2021.3

11. Stocks

£000	2021	2020
Ball cloth	7.1	2.6
Rackets balls	7.1	6.4
Merchandise	2.2	2.3
Wine and Other	1.6	2.0
Total	18.0	13.3

12. Debtors and Payments in Advance

£000	2021	2020
Debtors	3.8	0.0
HM Revenue & Customs	4.7	1.5
Payments in Advance	15.5	7.1
Other Debtors	30.0	30.0
Total	54.0	38.6

13. Creditors and Accruals

£000	2021	2020
Accounts Payable	13.5	5.1
Accruals	59.2	73.9
Deferred Income	17.6	14.5
Other payables	8.0	6.2
Total	98.3	99.7

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	2021	2020
Statement of Financial Activities		
Total income	51.3	43.4
Total expenditure	(26.0)	(60.2)
Net (deficit)/income	25.3	(16.8)
Net (losses)/gains on investments	122.6	(61.1)
Total funds brought forward	1213.5	1291.4
Total funds carried forward	1361.4	1213.5
Balance Sheet		
Fixed asset investments	1295.8	1099.2
Current assets	74.2	129.0
Current liabilities	(8.6)	(14.7)
Total net assets	1361.4	1213.5

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 2021 is shown below:

£000	2021	2020
Income Statement		
Total turnover	0.0	81.9
Total expenditure	(0.0)	(81.9)
Operating profit	0.0	0.0
Donation to T&RA	0.0	0.0
Profit for the period	0.0	0.0
Balance Sheet		
Current assets	16.4	15.8
Current liabilities	(16.3)	(15.7)
Total net assets	0.1	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 £2.3k (2020: £25.0k).

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
- Washington – Washington court development

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	2020	New fund	Income	Expenditure	Gains/ (Losses)	2021
Unrestricted						
T&RA	752.0		239.0	(209.8)	122.8	904.0
DBTRAF	959.0		42.5	(15.3)	96.2	1082.4
TRAT	0.0		0.0	0.0		0.0
Consolidation adjustments	0.0		0.0	0.0		0.0
	1711.0		281.5	(225.1)	219.0	1986.4
Restricted						
YPF	402.5		7.0	(2.3)	58.0	465.2
Smithie	10.0		0.0	0.0	0.0	10.0
Cockroft	35.5		0.0	0.0	0.0	35.5
TSF	3.9		0.0	0.0	0.0	3.9
RTPA	8.1		0.0	(8.1)	0.0	0.0
HB/K	18.1		0.0	(6.0)	0.0	12.1
liP	0.0	8.1	15.3	(14.8)	0.0	8.6
Washington	0.0		16.6	0.0	0.0	16.6
	478.1	8.1	38.9	(31.2)	58.0	551.9
Endowment						
PKBF	236.4		8.8	(4.6)	26.3	266.9
Total	2425.5	8.1	329.2	(260.9)	303.3	2805.2

20. Analysis of net assets by fund

2021

£000	Unrestricted	Restricted	Endowment	Total 2021
Fixed Assets	1906.1	413.6	271.1	2590.8
Stock	18.0	0.0	0.0	18.0
Debtors	53.8	0.2	0.0	54.0
Cash and bank	170.0	63.5	7.2	240.7
Creditors	(161.5)	74.6	(11.4)	(98.3)
Total	1986.4	551.9	266.9	2805.2

2020

£000	Unrestricted	Restricted	Endowment	Total 2020
Fixed Assets	1499.3	293.6	230.9	2023.8
Stock	13.3	0.0	0.0	13.3
Debtors	38.6	0.0	0.0	38.6
Cash and bank	299.3	124.5	25.7	449.5
Creditors	(139.5)	60.0	(20.2)	(99.7)
Total	1711.0	478.1	236.4	2425.5