



LTA Tennis Foundation

Trustee Report and Financial Statements for the year ended 31 December 2022



Registered in England – Company Number 08087723 Charity Number 1148421

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LTA Tennis Foundation Administrative Information

Board of Trustees

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

Company Secretary

Alice Lacroux

Registered (and Principal) Office

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

Independent Auditors

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

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

Chairman’s Report

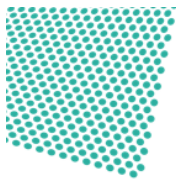
Introduction by Tim Lawler MBE, Chair of the Trustees.

This has been a hugely significant year for our charity as we completed the process started in 2021 of bringing together two separate and distinguished historical charities *The Tennis Foundation* and *The LTA Trust* – into one new entity, the *LTA Tennis Foundation*.

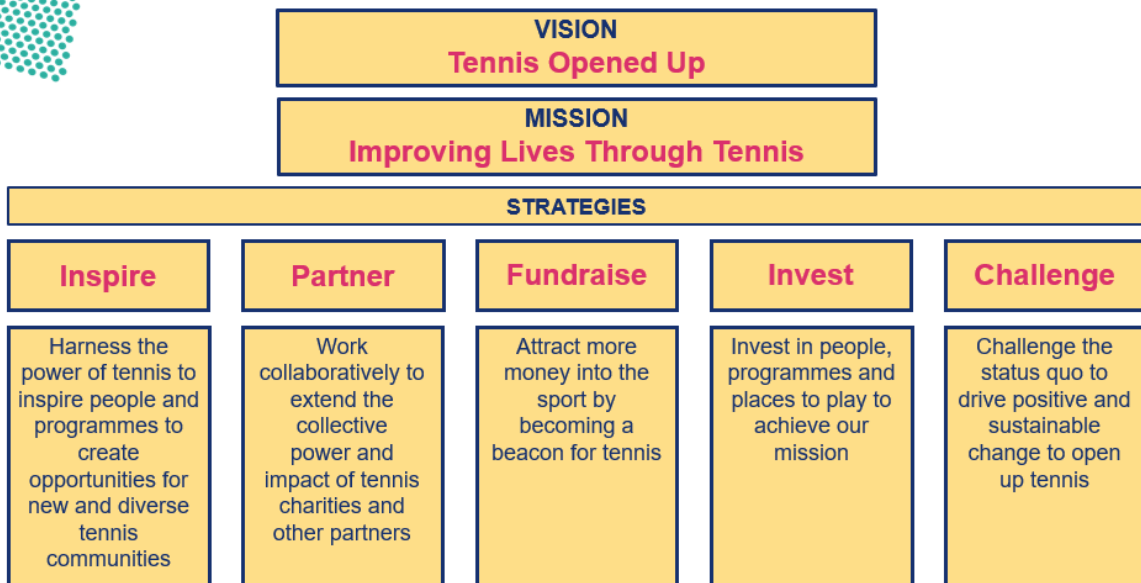
I’d like to thank all those who have previously served as Trustees of *The Tennis Foundation* and *The LTA Trust* for their contributions over many years. Their service has allowed the LTA Tennis Foundation to begin its life in a strong position to deliver its charitable purposes.

As a Board we agreed the principles and objectives of the charity. In short this is to ‘improve lives through tennis’. A simple objective, but one that runs through all our activities.

Beneath this overarching vision we developed key strategies to cover every part of our work: Inspire, Partner, Fundraise, Invest and Challenge.



LTA TENNIS FOUNDATION STRATEGIC FRAMEWORK



By working in all of these areas we want to use the sport of tennis to make a real difference to individuals in Great Britain, with a particular focus on diverse and underserved communities where the game is less well established.

We’re entirely focussed on the grassroots of the game, and as a grant giving charity want to work with other charities and organisations to extend their reach and invest in innovative projects.

We’re also fully aligned to the LTA’s vision of ‘Tennis Opened Up’ – and will support LTA initiatives that we feel meet our charitable purposes. We see our relationship with the LTA as being complementary, both organisations helping the other to do things that neither could do on their own.

However, it is important that the Foundation has its own identity, which is why we quickly adopted a new logo and established our own brand guidelines, incorporating bold and warm colours, to set a vibrant look and feel for the charity.

We also ensured the necessary governance work was completed in order to put in place strong foundations for the charity as it ramps up its activity in the coming years.

Alongside this we set about building relationships with many existing tennis charities currently operating. Understanding how and where they worked, their objectives, and establishing how we could help them.

This all culminated in a soft launch of the Foundation just ahead of the LTA's summer major events. A strong presence at the tournaments in Nottingham, Birmingham, Queens and Eastbourne across on-court signage, programmes, and the big screens allowed us to publicise the charity and start the process of raising public awareness about our objectives and vision.

Alongside our launch the charity continued to invest in key projects including supporting LTA Youth, the LTA's dedicated programme to introduce children to the game. Since the launch, we have issued more than 5,000 schools with a £250 voucher to spend on equipment or 10 hours with a local LTA Accredited coach – meaning they can introduce children to tennis in a positive, progressive, and inclusive environment.

We continued to support investment in tennis facilities throughout Britain with a total of £2.4m in either grants or loans invested in venues across the country. Work also began in earnest on the parks project, refurbishing thousands of tennis courts across Britain in conjunction with the UK Government and LTA who together with the LTA Tennis Foundation are investing millions into transforming local authority park tennis facilities across Great Britain. These venues are vital in providing accessible and affordable opportunities for local communities and they are also a significant enabler of participation and access to tennis for those from underserved groups. Over the course of 2022 the LTA worked with local authorities to develop a pipeline of projects where activity was ready to start on site.

This project will be the largest ever single investment into tennis facilities in this country and has the power to be transformational for the sport in communities up and down Britain. We are proud to be playing our part in the project and look forward to it coming fully on-stream in 2023.

Financial health

Financially our position remains healthy. Whilst the volatility of international markets means there were losses on paper of £2.6m, through robust financial planning, and access the charity has to more liquid reserves, there was no need to crystallise these losses.

We have net assets of £37.0m, of which £10.2m is designated for projects, including the parks project, and £0.3m restricted for legacy projects inherited from The Tennis Foundation (Legacy) following the charity merger. We will continue to look for opportunities to support projects that align with our vision and objectives, and always look to strike an appropriate balance between retaining enough reserves to continue our work over the long term, and not wanting to retain funds unnecessarily if there are appropriate projects that they could be supporting.

Plans for 2023

Plans for 2023 are ambitious, and good progress has already been made. The first of two grant making rounds took place in the first quarter with funds being distributed to charities and partners that will make a tangible difference to improve people's lives through tennis.


As we described, work has ramped up significantly on the parks project with dozens of courts being repaired and resurfaced each month.

Meanwhile we will once again use the LTA's major events as our 'shop window' to raise awareness of the charity and the work we do. For the first time we will also actively seek donations from members of the public. To ensure we deliver this and our wider work in this area with excellence, we commissioned external expertise to help develop our own fundraising strategy in 2022 – researching the approach to fundraising that would best fit our charitable model and audiences.

Given all this activity 2023 promises to be an exciting year for the charity, and one where we can have real impact.

Before I conclude however I would like to thank all those, be they fellow Trustees, LTA staff, or contributors from other organisations, who have helped the charity in 2022. This has been an important period, during which we set out to build strong foundations for the future.

I am sure everyone's work and commitment, including that done with no financial recompense, will help our charity make a real difference over the coming years.

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Tim Lawler MBE
Chair of the Trustees

IMPROVING LIVES THROUGH TENNIS



The Foundation has provided more than
**5,000
SCHOOLS**
WITH A **£250 VOUCHER**
to spend on equipment or 10 hours with a
local LTA Accredited coach



MORE THAN
20,000
TEACHERS REGISTERED
on LTA Youth Schools



£10.2M
IN DESIGNATED FUNDS
EARMARKED FOR USE
on specific projects in coming years



£1.4M
SPENT ON THE FIRST YEAR
of the joint LTA Tennis Foundation, UK Government,
LTA Parks Project



£2.4M
COMMITTED
IN GRANTS AND LOANS
to help develop new tennis facilities across Britain



TARGET OF
£1,000,000
IN GRANTS
due to be given out to applicants in 2023



£3.9M
IN PARTNERSHIP FUNDING
FROM APPLICANTS
in support of the approved projects



Report of the Trustees for the year ended 31 December 2022

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 2022. 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 2019).

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.

The Foundation’s only member is LTA Operations Limited (“the LTA”). The Foundation is an independent charity with nine (2021: nine) Trustees, six (2021: six independent and three (2021: three) 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 the LTA for their services. The LTA does not have control over the day-to-day operations.

Charitable Objectives of the Foundation

The object of the Foundation is to advance for the public benefit such charitable purposes associated with the game of tennis in any part of Great Britain that are consistent with the purposes of the Lawn Tennis Association Limited 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

The Foundation officially relaunched in June 2022; it shares the Lawn Tennis Association’s vision of ‘Tennis Opened Up’, its mission is ‘Improving Lives Through Tennis’, with the following strategies: Inspire, Partner, Fundraise, Invest and Challenge.

The Foundation’s focus is solely on the grassroots of the game, and as the LTA’s charity it is committed to working in all parts of Great Britain with a particular focus on diverse and underserved communities where the game is less well established.

During 2022, the Foundation continued to make significant progress towards achieving its charitable objectives. £0.6m was spent on LTA Youth Programme (2021: £1.2m) to help provide skills for life, not just for tennis, and will help develop children as both players and people. More than 20,000 teachers have registered on LTA Youth Schools and the Foundation has provided more than 5,000 schools with a £250 voucher to support them in their delivery of tennis.

In addition, £0.3m grant funding (2021: £1.0m) and £2.1m (2021: £1.9m) loan funding was committed towards tennis venues’ projects, as part of the LTA’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.

Partnership funding from applicants in support of the approved projects amounted to £3.9m (2021: £3.8m).

The temporary decrease in capital grant funding is driven by the preparation required for the significant change in how the Foundation, in conjunction with the Department of Culture, Media and

Sports ('DCMS'), will fund park court and gate access projects over the next few years. In 2021 the UK Government announced £22m of investment into public park tennis courts in Britain, alongside a further £8.5m from the LTA Tennis Foundation. As a result, 2023 is expected to see materially higher levels of capital grant funding due to the start of the transformational Parks Delivery Investment scheme. The Foundation spent £1.4m towards the parks project in 2022 and will continue to invest in the project in 2023.

Future Developments

This will be a crucial year for delivery of the parks project. The Foundation will invest in digital infrastructure including funding and installation of gate access systems as well as investing in resurfacing, repainting, and fence repairs at existing facilities, for those facilities that are in the worst condition. The LTA will work with local authorities to make it easier for players to find and book a court and tennis activity, and a Free Parks Tennis product is in development to provide cost free, accessible tennis in parks across the country, which alongside the LTA's Local Tennis Leagues will drive participation in new and established players.

Through a new grant making framework, with two expected windows for grant applications across 2023, the Foundation is targeting an initial investment of £1m. It is committed to working in all parts of Great Britain with a particular focus on diverse and underserved communities where the game is less well established.

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.

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.

As at 31 December 2022, the Board comprised of nine (2021: eleven) trustees who met seven (2021: seven) times during the year. Further details of the trustees can be found on page 3.

During the year, no new trustees were appointed to the board. Both Serena Hedley-Dent and Gavin Murgatroyd resigned from the board in 2022.

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 17 of the financial statements.

The total net movement in funds for the year ended 31 December 2022 was a deficit of £4.6m (2021: £4.0m surplus).

The principal reasons for the difference in results between 2022 and 2021 was due to the £4.8m donation received in 2021 by The Tennis Foundation (Legacy) as part of the charity merger, and market volatility where the Foundation experienced a £2.7m loss in investments in 2022 compared to a £1.2m gain in 2021. £2.6m of the £2.7m losses were unrealised losses, and the Foundation's strong financial position means it is able to let the investments recover, instead of crystallising the losses.

Incoming resources of £0.6m (2021: £5.2m) were largely received from the investment portfolio of £0.4m (2021: £0.3m). In the year there was £0.1m (2021: £0.1m) of expenditure on management fees associated with the investment portfolio.

In the year the Foundation spent £1.5m in relation to the Parks renovation project (2021: £nil); this consists of £0.7m staff seconded from the LTA and £0.8m support costs for project management, technical services, and legal fees. The Foundation continued to support the LTA Youth programme and spent £0.6m on school vouchers (2021: £0.8m).

The total net assets held by the Foundation at 31 December 2022 were £37.0m (2021: £41.6m) with £0.3m restricted funds held (2021: £0.3m), and £10.2m designated funds held for various projects as detailed in note 10.

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

Charity reserves are funds that can be freely and readily spent on charitable purposes. They typically comprise unrestricted funds that can be readily accessed (i.e. they are liquid) but excludes funds designated for specific purposes.

The Foundation holds reserves to ensure that it can meet on-going operational and programme expenditures as they fall due. Our aim is to hold reserves equivalent 3 months of budgeted operational expenditure. Based on budgeted levels of operational expenditure for 2023 (excluding Parks programme budgeted expenditure which will be funded by DCMS and the Parks designated fund), this equates to £1m.

As at 31 December 2022, the level of reserves held by the Foundation was £23.0m (2022: £29.5m). Although this sum is substantially higher than the current target level of reserves, the Foundation plans to utilise reserves over the next 5 years to invest in community-accessible tennis facilities and to fund operational deficits whilst we build our fundraising capacity. The majority of the Foundation's reserves will be used to provide loan funding to third parties under the facilities investment strategy,

although reserves will also be used to award grants to organisations in pursuit of our charitable objectives. Over the long-term, 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 8 June 2023 and signed on its behalf by:

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T Lawler MBE
Chair of Board of Trustees

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 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 company 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 8 June 2023 and signed by its order by:

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T Lawler MBE
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 2022 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 2022; 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 and Financial Statements 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.

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.

Report of the Trustees

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Report of the Trustees 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 Report of the Trustees. 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 Statement of the Trustees' Responsibilities, 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.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to indirect legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and the Charities Act 2011. 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:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations, journals posted by senior management.

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 obtained 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.

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Jonathan Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 June 2023

LTA Tennis Foundation
Statement of Financial Activities
Incorporating an income and expenditure account
for the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000
Income and endowments							
Funds received	2	127	-	127	4,532	340	4,872
Income from investments	3	431	-	431	280	-	280
Total income and endowments		558	-	558	4,812	340	5,152
Expenditure							
Expenditure on raising funds, audit, and other expenses	4	(178)	-	(178)	(235)	-	(235)
Expenditure on charitable activities	5	(2,368)	-	(2,368)	(2,118)	5	(2,113)
Total expenditure		(2,546)	-	(2,546)	(2,353)	5	(2,348)
Other recognised (losses)/gains							
Net (loss)/gain on investments		(2,650)	-	(2,650)	1,232	-	1,232
Net (loss)/income		(4,638)	-	(4,638)	3,691	345	4,036
Net movement in funds		(4,638)	-	(4,638)	3,691	345	4,036
Fund balances brought forward at 1 January	11 & 12	41,300	345	41,645	37,609	-	37,609
Fund balances carried forward at 31 December	11 & 12	36,662	345	37,007	41,300	345	41,645

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 20 to 29 form part of these financial statements.

LTA Tennis Foundation

Company Registration No: 08087723

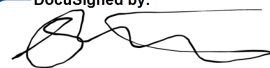
Charity Registration No: 1148421

Balance Sheet as at 31 December 2022

	Note	2022 £000	2021 restated £000
Fixed assets			
Investments in subsidiary undertaking	7	-	-
Tangible assets	8	-	-
Investments	9	36,863	42,195
Programme Related Investments - amounts falling due after more than one year	10	2,798	*1,550
Total fixed assets		39,661	43,745
Current assets			
Programme Related Investments - amounts falling due within one year	10	621	*338
Trade and other receivables – amounts falling due after more than one year	15	-	*-
Trade and other receivables – amounts falling due within one year	15	31	*1
Cash at bank and in hand	16	1,469	1,331
Total current assets		2,121	1,670
Creditors: amounts falling due within one year	17	(4,775)	(3,770)
Net current assets/(liabilities)		(2,654)	(2,100)
Net assets		37,007	41,645
The funds of the charity:			
Unrestricted funds	11	36,662	41,300
Restricted funds	12	345	345
Total Charity funds		37,007	41,645

*£1,550,000 and £338,000 have been reclassified from Trade and other receivables - amounts falling due after more than one year, and amounts falling due within one year respectively, because they are concessionary loans and better reflect the nature of the assets when shown separately as Programme Related Investments – amounts falling due after more than one year, and amounts falling due within one year of £1,550,000 and £338,000 respectively. 2021's net assets and total charity funds remain the same after this change at £41,645,000.

The financial statements on pages 17 to 29 were approved and authorised for issue by the Board of Trustees on 8 June 2023 and signed on its behalf by:

DocuSigned by:

 06921710ACB140F...
S Steele
 Trustee

LTA Tennis Foundation

Cash Flow Statement for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Net cash from operating activities:			
Net cash flows (used in)/generated from operating activities	14	(2,975)	1,996
Cash flow from investing activities			
Receipts from sale of fixed asset investments		6,428	5,509
Payments to acquire fixed asset investments		(3,351)	(6,765)
Investments cash following merger		-	247
Foreign exchange loss on investments		(199)	-
Interest received		2	-
Income from fixed asset investments net of management fees		320	280
Net cash generated/(used in) from investment activities		<u>3,200</u>	<u>(729)</u>
Cash and cash equivalents at the beginning of the year		2,423	1,156
Net increase in cash and cash equivalents		<u>225</u>	<u>1,267</u>
Cash and cash equivalents at the end of the year		<u><u>2,647</u></u>	<u><u>2,423</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,469	1,331
Cash held for investment purposes		<u>1,179</u>	<u>1,092</u>
Cash and cash equivalents		<u><u>2,648</u></u>	<u><u>2,423</u></u>

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

The notes on pages 20 to 29 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 2019). 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) 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; designated funds are those unrestricted funds which have been set aside by Trustees for essential spend or planned project. Designating funds is at the discretion of the Board of Trustees, and they are able to change their view on this in the future. This form of unrestricted funds is not bound under charity law in the same way that restricted funds are. Unrestricted funds have been disclosed showing those which have been designated and those which are the general funds of the charity, alongside a separate disclosure for restricted funds per the charities Statement of Recommended Practice framework issued as part of FRS 102.

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.

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

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.

LTA Tennis Foundation Notes to the Financial Statements

Statement of accounting policies (continued)

d) Incoming resources

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

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, without taxable income. The Foundation is not registered for value added tax (VAT) and, accordingly its expenditure is recorded inclusive of any VAT incurred.

f) Programme Related Investment

The Foundation has applied the accounting policy choice allowed by PBE34.89 and is following the treatment prescribed by PBE 34.90 to 34.97. Programme-related investments are held to further the charitable purposes of the Foundation. They are held at cost less any provision for impairment. They are public benefit concessionary loans, which are interest free, are not repayable on demand and are for the purposes of furthering the objectives of the Foundation. Where a concessionary loan arrangement is entered into, the loan paid is retained on the balance sheet at the loan amount less an appropriate provision made for impairment. Loans are made to tennis venues and are repayable over periods up to 10 years.

Applicants must present a business plan regarding the suitability of the venue and the likelihood of repayment. A senior staff member with delegated authority makes the final decision on the loan application, based on affordability and viability of the business.

In prior years, loans awarded in the year include loans issued and outstanding loan commitments. Outstanding loan commitments were those successful loan applications where a loan was not yet issued however a constructive obligation exists between LTA Tennis Foundation and the tennis venue. The review of loan balances at that stage confirmed consistency to the values reported at Note 10 to the financial statements.

Repayments are normally collected by direct debits or standing orders from the bank accounts of the businesses on a 6 monthly basis. A specific provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value, and at the end of each reporting period, and if there is any objective evidence of impairment, that an immediate impairment loss is recognised in the Statement of financial activities, as required in the Charities SORP 2019 para 21.32 and 21.33.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

2. Funds received

	2022 £'000s	2021 £'000s
Funds received	115	4,872
Park Renovation Project funded by DCMS	12	-
	<u>127</u>	<u>4,872</u>

3. Income from investments

	2022 £'000s	2021 £'000s
Income from listed investments and investment funds	429	280
Interest from cash deposits	2	-
	<u>431</u>	<u>280</u>

4. Expenditure on raising funds, audit, and other expenses

	2022 £'000s	2021 £'000s
Investment management costs	109	100
Audit fee	7	4
Administrative expenses	62	131
	<u>178</u>	<u>235</u>

5. Expenditure on charitable activities

	2022 £'000s	2021 £'000s
Facility grants awarded	872	2,113
Park Renovation Project	1,484	-
Park Renovation Project funded by DCMS	12	-
	<u>2,368</u>	<u>2,113</u>

LTA Tennis Foundation

Notes to the Financial Statements (continued)

6. Employees

The average monthly number of full-time employees (excluding Trustees) employed directly by the Foundation during the year was nil (2021: nil).

Trustees' remuneration

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

7. Investments in subsidiary undertaking

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 or other commercial activity during the year. A summary of the audited results of TF Enterprises Limited at 31st December is shown below:

	2022 £000	2021 £000
Turnover	-	-
Loss for year after taxation	-	(1)
Net assets:		
At beginning of year	6	7
At end of year	6	6
TF Enterprises Limited 100 (2021: 100) ordinary shares of £1 each (100% of the company)	-	-

LTA Tennis Foundation

Notes to the Financial Statements (continued)

8. Tangible Assets

	Technology Development £000	Field Equipment £000	Total £000
Cost:			
at 1 January 2022	29	19	48
Additions	-	-	-
Disposals	-	-	-
Transfer from The Tennis Foundation (Legacy)	-	-	-
at 31 December 2022	29	19	48
Accumulated depreciation:			
at 1 January 2022	(29)	(19)	(48)
Charge for the year	-	-	-
Disposals	-	-	-
at 31 December 2022	(29)	(19)	(48)
NBV at 31 December 2022	-	-	-
NBV at 31 December 2021	-	-	-

LTA Tennis Foundation

Notes to the Financial Statements (continued)

9. Investments

	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2021 £000
Listed securities at market value:	Canaccord	Fidelity	JP Morgan	Brooks Macdonald	Rothschild	Total	Total
Balance at beginning of year	8,680	10,258	10,268	8,611	4,378	42,195	39,407
Additions during the year	1,922	-	-	911	518	3,351	6,765
Disposals during the year	(1,915)	(1,000)	(2,000)	(646)	(867)	(6,428)	(5,509)
Fund cash movement	127	16	95	(62)	172	348	320
Fair value (decrease)/increase	(1,362)	111	-	(1,208)	(144)	(2,603)	1,212
Balance at end of year	7,452	9,385	8,363	7,606	4,057	36,863	42,195
Listed securities at historical cost						32,289	38,422

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.

10. Programme Related Investments

	2022 £000	2021 restated £000
Programme related Investments - amounts falling due after more than one year	2,798	1,550
Programme related Investments - amounts falling due within one year	621	338
	<u>3,419</u>	<u>1,888</u>

The loans represent interest free concessionary loans issued by the Foundation to clubs, indoor facilities, parks, and schools to improve tennis facilities. The loans are repayable between 3-10 years or longer and are recorded net of any bad debt provision.

In addition to the issued loans, there are loans of £3.3m (2021: £3.7m) that have been approved for payment to places to play but have not yet been paid.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

11. Unrestricted funds

	Fund at start of 2022 £000	Income £000	Expenditure £000	Net Expenditure £000	Transfer in/out £000	Fund at end of 2022 £000
General unrestricted funds	26,605	558	(1,062)	(504)	(1,795)	24,306
Other unrestricted recognised gains	4,805	-	(2,650)	(2,650)	-	2,155
Designated funds Parks	9,890	-	(1,484)	(1,484)	-	8,406
Designated funds LTA Youth	-	-	-	-	450	450
Designated funds Grant Making Framework	-	-	-	-	1,000	1,000
Designated funds Charity partner projects	-	-	-	-	345	345
Total unrestricted funds	41,300	558	(5,196)	(4,638)	-	36,662

Designated funds Parks

The designated funds relate to will invest in digital infrastructure including funding and installation of gate access systems as well as investing in resurfacing, repainting, and fence repairs at existing facilities, for those facilities that are in the worst condition.

Designated funds LTA Youth

The designated funds relate to supporting the delivery of tennis in schools by providing £250 worth of vouchers for tennis equipment to schools.

Designated funds Grant Making Framework

The designated funds relate to investment in external partner initiatives that support people and programmes in opening up tennis.

Designated funds Charity partner projects

The designated funds relate to investment in charity partner projects.

LTA Tennis Foundation

Notes to the Financial Statements (continued)

12. Restricted funds

	Fund at start of 2022 £000	Income £000	Expenditure £000	Net income £000	Fund at end of 2022 £000
Restricted funds	345	-	-	-	345
Total restricted funds	345	-	-	-	345

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

13. Total funds

	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Total Funds 2021 £000
Cash	1,124	345	1,469	1,331
Investments	36,863	-	36,863	42,195
Trade and other receivables	3,450	-	3,450	1,889
Creditors	(4,775)	-	(4,775)	(3,770)
Total	<u>36,662</u>	<u>345</u>	<u>37,007</u>	<u>41,645</u>

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

	Note	2022 £000	2021 restated £000
(Loss)/profit for the financial year		(4,638)	4,036
Investment income receivable net of management fees	3	(431)	(280)
Net loss/(gain) on investments		2,650	(1,232)
Operating (loss)/profit		(2,419)	2,524
Increase in receivables	15	(30)	*(2)
Increase in creditors	17	1,005	808
Increase in programme investments	10	(1,531)	*(1,334)
Cash (outflow)/inflow from operating activities		<u>(2,975)</u>	<u>1,996</u>

*2021's Increase in receivables has been reclassified by £1,334,000 from £1,336,000 to £2,000 in order to add a new line for programme related investments, which better reflects the nature of the assets (being interest free concessionary loans to support tennis venues).

15. Trade and other receivables

	2022 £000	2021 restated £000
Trade and other receivables – amounts falling due after more than one year	-	*-
Trade and other receivables – amounts falling due within one year	31	*1
	<u>31</u>	<u>1</u>

*2021's Trade and other receivables – amounts falling due after more than one year, and amounts falling due within one year have been restated from £1,550,000 and £339,000 to £nil & £1,000 respectively. The moved balances of £1,550,000 and £338,000 are now disclosed in Note 10, Programme Related Investment, which better reflects the nature of the assets (being interest free concessionary loans to support tennis venues).

LTA Tennis Foundation

Notes to the Financial Statements (continued)

16. Cash at bank and in hand

	2022	2021
	£000	£000
Cash at 1 January	1,331	611
Net increase in cash and cash equivalents	138	720
Cash at 31 December	<u>1,469</u>	<u>1,331</u>

17. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Creditors due within one year	(4,775)	(3,770)
	<u>(4,775)</u>	<u>(3,770)</u>

18. Related parties

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 2022 there was one member, being LTA Operations Limited.

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.

The Foundation is an independent charity with nine (2021: nine) trustees, six (2021: six) independent and three (2021: three) 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 the LTA for their services. The LTA does not have control over the day-to-day operations.

During the year, the Foundation reimbursed another group entity, LTA Operations Limited, £0.6m (2021: £0.5m) to cover the delivery costs of the LTA Youth programme. The Foundation was charged £0.7m (2021: £nil) by LTA Operations Limited to cover staff seconded for to the Parks project.



Registered in England – Company Number 08087723

Charity Number 1148421