

The Tennis Foundation

**Report and financial statements
for the year ended 31 December 2015**

The Tennis Foundation

Annual Report for the year ended 31 December 2015

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The Tennis Foundation

Report of the Trustees for the year ended 31 December 2015

The Board of Trustees of The Tennis Foundation (the **Foundation**) submits its report, together with the audited financial statements, for the year ended 31 December 2015. The trustees have prepared this report and financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP under FRS102).

In the prior accounting period the Foundation changed its accounting reference date to 31 December from 30 September to improve the annual planning and budgeting cycle and to align itself to other tennis bodies. This meant that the previous financial statements represented a 15 month period from 1 October 2013 to 31 December 2014.

Administrative details of the Foundation

The Foundation was incorporated on 5th June 1987 as The Lawn Tennis Foundation of Great Britain (Company Number 2138124), a company limited by guarantee and having no share capital. It was registered by the Charity Commission as a charity (Charity Number 298175) on 29th December 1987, and its name was changed to The LTA Trust on 7th October 1988, and then to The British Tennis Foundation on 9th January 1997. On 6th September 2007, The Foundation changed its name to The Tennis Foundation.

The Foundation is governed by its Memorandum and Articles of Association, as updated most recently on 17th July 2014. The Foundation is not empowered to make distributions to its members.

TF Enterprises Limited (the **Company**) is the non-charitable trading subsidiary of the Foundation (company number 14724499). The company's principal activities are to receive sponsorship and conduct other commercial activities on behalf of the Foundation.

Charitable Objectives of the Foundation

The Foundation's objectives, as approved by the Charity Commission are:

(a) the advancement, for the benefit of the public, of the education of children and young persons who are pupils at schools, colleges or universities by organising or providing facilities which will enable and encourage them to play tennis or mini tennis (being a version of tennis adapted for children) and thereby ensuring that due attention is given to the physical education of such pupils as well as the development and occupation of their minds;

(b) the organisation or provision (or assistance in the organisation or provision) of facilities for recreation in the interests of social welfare in any part of the United Kingdom (with the object of improving the conditions of life for the persons for whom the facilities are primarily intended) either for persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social or economic circumstances or for members of the public at large;

(c) for the benefit of the public to promote community participation in healthy recreation by providing facilities for playing tennis, mini tennis or other sports ("facilities" means land, buildings, equipment and organising sporting activities); and

(d) to promote all purposes recognised as charitable under the law of England and Wales from time to time, in particular through an association with tennis.

Public Benefit

The Foundation's activities continue to give identifiable benefits to the public. 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.

The Tennis Foundation

Strategic Report

The Foundation's vision is to build a sport that is inclusive and accessible to every kind of community. Our aim is to provide opportunities to encourage more people to maximise their potential through tennis.

Since our foundation, we have seen first-hand the positive impact that tennis can have on children, disabled people or people from lower socio-economic groups. It is with this knowledge that the Foundation is driven to try and give people the opportunity to maximise their potential through the enjoyment and challenges provided by tennis.

We work in partnership with a vast number of local, regional and international partners who assist in delivery of the aims and objectives of the variety of activities that we fund. Details of these activities are set out below.

Aims, Activities and Achievements

The activities of the Foundation are split into the following significant areas. The Foundation is responsible for the management of the activities delivered under the headings of community, education and disability tennis. The LTA manages the day to day delivery of activities under the headings of tennis development, coaching and competitions:

- (a) community (including Local Authority sites);
- (b) education (including schools, further education colleges and universities);
- (c) disability tennis (including development, competition and performance);
- (d) tennis development (including supporting the participation team (formerly called the field team), county associations and clubs);
- (e) coaching; and
- (f) competitions.

Each activity that meets the charitable objectives of the Foundation is monitored and reviewed on a continuing basis. Annual business measures were approved by the Board of Trustees and the measures set for 2015 were met. Set out below is a review of the significant activities undertaken for the year. Further breakdown on the expenditure against each activity is detailed in Note 4.

Community

There are two key elements to this aspect of the Foundation's work: (i) support for the development of tennis in urban communities and (ii) support for 54 (2014: 53) community indoor tennis centres across Great Britain.

(i) Development of Tennis in Urban Communities

Aim

To use tennis as a vehicle to impact positively on the lives of disadvantaged people by offering opportunities to build confidence and skills on and off the court.

Strategy and Activities

The Foundation has made the strategic decision to place greater emphasis on its responsibilities as a 'Sport for Development' organisation. In line with this new approach, we developed a new long term strategy for our work in disadvantaged communities. We are focusing on selected key social outcomes namely:

- Improved emotional wellbeing
- Improved educational attainment and achieving qualifications
- Enhanced career prospects
- Self confidence
- Social skills
- Improved health

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Strategic Report (continued)

Using the knowledge, insight and experience gained from the Community Tennis Pilots that we ran between 2011 and 2014, the Foundation now has a good understanding of the specific needs and aspirations of disadvantaged communities.

In 2015 we have supported 20 community tennis hubs (2014: 0) across Great Britain. We have provided support including:

1. a Pop-Up Arena tennis court (a semi-permanent and brightly coloured tennis court surface)
2. a Zsig kit bag (including mini tennis rackets, balls, net)
3. trained 100 tennis activators (2014: 0)
4. resource materials and mentoring and support.

We continue to work in partnership with a number of key national community organisations, including London Youth, StreetGames, Sporting Equals and Sported. These partners have the specialist skills and expertise in social issues and an ability to deploy confident and competent staff to support delivery of our shared objectives.

Achievements and Objectives

The Foundation intends to develop the programme with the additional planned growth of 25 hubs per year for an initial period of three years, the development of a robust monitoring and evaluation system, and seeking new funding sources to support activity.

(ii) Community Indoor Tennis Centres

The Foundation, with its partners the LTA, UK Sports Council and All England Lawn Tennis Ground Company (**AELTG**), have over time invested significant amounts of capital funding to develop a network of 54 (2014: 53) public indoor facilities known as the Community Indoor Tennis Centres (**CITCs**).

Aim

To establish these centres firmly as the main developmental centres for British tennis and be the key places to introduce participants to the sport.

Strategy and Activities

The CITC strategy was initiated and developed by the Foundation in 2011/12. A key focus during the period was to consolidate partnerships with strategic leisure partners to reduce the number of CITC operators, and to continue to offer support services to help CITCs become financially sustainable through improved programming and growth in participation. The Foundation has enabled these CITCs to access alternative funding to deliver community programmes with the provision of specialist expertise provided by Oaks Consultancy. Recently the Foundation has developed a management training programme for the CITCs which will be implemented during 2016.

Achievements and Objectives

Our strategic partners, such as Greenwich Leisure Limited and Parkwood Holdings, now operate 21% (2014: 15%) of CITC facilities. We anticipate that this will increase during 2016 improving unity and our ability to influence the strategic development of the network.

Following targeted interventions within a number of CITCs, increased participation has been achieved during 2015 with the number of junior and adult participants on coaching programmes increasing by 16% as compared with 2014. External funding sourced with the expertise of Oaks Consultancy in 2015 yielded funding of £250,000 for community engagement programmes linked into CITCs.

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Strategic Report (continued)

Education

Aim

To help more young people in education to maximise their personal potential through tennis.

Strategy and Activities

In March 2015, the Foundation launched the new Tennis in Education Strategy, covering the period 2015 – 2018. This was developed after comprehensive internal and external consultation. It outlined our approach to delivering tennis within early years, schools, colleges and universities over the next four years.

Achievements and Objectives

Five new regional tennis education officer positions were recruited to coordinate the delivery of the education programme at local level. 20,512 (2014: 19,169) schools were supported by the Foundation in 2015, with free teacher training, resources and equipment. A new pupil mentoring programme was launched, Beyond The Baseline, via which 14 schools were supported, reaching 152 pupils. Schools Competition has continued to grow, with 54,361 (2014: 52,927) children and young people now competing in inter-school tennis competition.

YouGov was commissioned to monitor the further education tennis programme for the first time, and it was reported that; 2,754 students were playing tennis regularly, 3,807 students competed in competition, 1,782 students undertook a training course or qualification and 96% of colleges are satisfied with the Foundation's support.

The university tennis programme has continued to develop, with 63 (2014: 55) universities now being supported through our three levels; University Tennis Development Awards, University Tennis Coordinators and University Tennis Performance Programme. Moving into 2016, we will work towards developing more intensive and bespoke packages of support for universities who can provide the highest level of return on The Foundation's investment.

The Foundation is taking a three phased approach to its long term education objectives (over a ten year period). The first phase relates to the core education programme which has been the focus of our work over the last five years. This focus will continue but, during the second phase, there will be a greater emphasis on developing relationships with third party charities, such as Greenhouse, The Prince's Trust, and Youth Sport trust, using tennis as a tool to maximise the personal potential of children in education. During the third phase (commencing in 2019), it is intended that the Foundation will work with a selected number of educational establishments providing them with a significant amount of financial support and expert advice.

Disability tennis

Aim

For tennis to be delivered and promoted as an inclusive sport across a wide range of disabilities to increase participation of disabled people at all levels of the sport:

- at an elite level, this is supported by identifying and developing the most talented players to deliver sustainable world class success;
- at a competitive level, by running world class events for disabled players and supporting the provision of competitive opportunities at recreational and developmental levels; and
- at a community level, by supporting coaches and venues to deliver more tennis for disabled people.

Strategy and Activities

Since 2012, the Foundation's disability tennis strategy sets out our plans from community to the elite levels of the sport. Sport England and UK Sport have continued to support this strategy. Funding via UK Sport is in place for the wheelchair performance programme up to 31 March 2017, and via Sport England for the disability development programme up to 31 March 2017.

The development element of strategic delivery plans has continued to focus on increasing the opportunities for disabled people to play tennis, improving the retention of existing participants and stimulating demand for tennis through working with key partners and by delivering targeted disability specific activities and events. This is done in close partnership with the LTA managed regional participation team.

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Strategic Report (continued)

The standard of competitions that are delivered in Britain continues to be improved, culminating in the hosting, by the Foundation, of the NEC Wheelchair Tennis Masters at the Lee Valley Hockey and Tennis Centre in December 2015. This is the ITF's end of year championships for wheelchair tennis for the top eight men and women and top four quad players. The Foundation has won the right to host it from 2014 to 2016. We also hosted the first World Deaf Tennis Championships in Nottingham in July 2015.

The findings of the competition review that was held at the conclusion of 2014 have been implemented leading to an increased awareness of the need to encourage more 'recreational competitive' opportunities for disabled people. In

2016 we will see even more opportunities for players of all ages and abilities to compete regularly in a fun, social and supportive environment. In addition, a comprehensive competition pathway has been developed for each impairment group, at junior and senior level, which has focussed our attention on key areas where more opportunities need to be developed.

The performance programme continued to focus on elite wheelchair tennis performance. In addition, senior and junior players competed at the World Deaf Championships; and six learning disability performance players competed at the INAS Global Games in Ecuador. We also held our second talent ID search for new wheelchair tennis players,

Ticket2Tokyo. A successful simulation camp took place in September in Sao Paulo, Brazil, for nine of our ParalympicGB team hopefuls.

Achievements and Objectives

The Foundation supported 44 Disability Tennis Networks (2014: 41) across Britain with funding, equipment and training to enable more disabled people to play tennis. In 2015, there were 3,186 weekly participants (2014: 2,400), an increase of 33% (2014: 17%), and 6,186 (2014: 3,509) monthly participants.

The success of the World Deaf Tennis Championships held in July exceeded expectations. 87 players from 21 countries competed and a comprehensive community engagement programme led to strong relationships being formed with the deaf community. Over 650 spectators attended the event and following on from information given to spectators and participants at the 'come and try' day, a regular deaf tennis session has been established at Nottingham Tennis Centre with 14 families attending each month.

In December, the NEC Wheelchair Tennis Masters was successfully staged, and saw 3,200 (2014: 2,200) people attend, including 1,753 (2014:1,150) from schools, colleges and local communities. A ball crew programme of 61 (2014: 47) children was recruited from eight schools situated in the east London boroughs and 77 (2014: 70) volunteers. The final matches on Saturday and Sunday were broadcast for the first time on the BBC's red button service resulting in eight hours of broadcast, in addition it was broadcasted for 10 hours on the BBC website and Channel 4 posted clips of actions on social media. There were 200,000 views on red button and 100,000 views of clips on social media.

The number of entries in ITF level events increased to 366 (2014: 293). In other impairment groups entries rose or remained consistent: LD Regionals total entries 156 (2014:117 (one less tournament)), LD Nationals 53 (2014:59), Deaf Nationals 19 (2014:17), VI Nationals 54 (2014:55).

Wheelchair Tennis was included in the National Sainsbury's School Games finals for the first time. This has led to an increase in wheelchair player engagement and junior opportunities. The competition entries for 2016 will double and a girls division will also be run.

In January, at the Australian Open, Jordanne Whiley and Andy Lapthorne both won titles in their women's and quad's doubles events respectively. This was followed by the World Team Cup in Turkey at which the men won the World Group 1 gold medal and the women won the bronze medal. In June, at Roland Garros, Gordon Reid won the men's doubles title and then Jordanne Whiley won the women's doubles title at the Championships Wimbledon. At the British Open which is held in Nottingham in July, Jordanne Whiley won her first Super series women's singles title and then followed it up with her first Grand Slam women's singles title at the US Open. Gordon Reid won the doubles men's title at both events. Great Britain finished 2015 first, jointly with the Netherlands, in the Tennis Europe wheelchair tennis ranking for the first time. 77 players (2014:80) attended our Ticket2Tokyo talent ID programme, 30 players were invited on to follow-up camps and 15 players have been selected on to "TF Wheelchair Tennis Selection Squad" for 2016.

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Strategic Report (continued)

In other impairments, Esau Hyat, won the Gold Medal in the Junior World Deaf Championships and Fabrice Higgins and Dominic Iannotti won the Gold medal in the team event at the INAS Global Games in Ecuador.

In 2016 focus is on delivering two to three medals at the Rio 2016 Paralympic Games. We will also be sending a team to compete at European Deaf Championships in Slovenia.

The Foundation is taking a three phased approach to its long term disability tennis objectives (over a ten year period). The Foundation is moving from the first phase of delivery which has focused on building the foundations of its disability strategy, in the areas of developing venues, workforce, programmes and partners, performance, events and competitions and promotion to the second phase of developing and enhancing these foundations. The third phase will place a greater focus on providing support for bespoke projects with a demonstrable social impact.

The following activities are funded by the Foundation but are managed by the LTA.

Tennis development

Aim

To enable more people to play tennis more often through a joined up delivery approach across community, club and education establishments.

Strategy and Activities

The LTA's regionally based participation team has continued to focus on growing participation throughout 2015, working with local authorities to increase the opportunity for local communities to play tennis in parks. In addition, the team have focused significant time on supporting tennis clubs.

National participation programmes, Great British Tennis Weekend, Tennis Tuesdays and Mini Tennis, have seen increased investment in 2015 and an increase in participation numbers has been achieved for each programme.

Good progress has been made with the LTA's partnerships programme, including strengthening relationships with David Lloyd Leisure and Greenwich Leisure Limited and supporting charities such as Street Games and Tennis For Free, two organisations that increase the reach of tennis into new communities.

Achievements and Objectives

Government statistics released in December 2015 (Active People Survey) showed a significant uplift in the number of people (14+) playing tennis on a weekly (+16%) or monthly (+5%) basis and via our own measurements, club with satisfaction levels with the LTA had risen from 43% (December 2014) to 48% (December 2015).

In 2015 the LTA ran three Great British Tennis Weekends (2014: four), delivering over 54,000 (2014: 54,000) sessions booked by across c.1000 (2014: 1127) venues. We also tracked the conversion to new memberships (14%) and players signing up to programmes (23%), both of which are very positive when compared to industry standards.

Tennis Tuesdays delivered encouraging results in 2015. The number of players attending six or more sessions was up from 7% to 23% demonstrating strong year on year impact on frequency. Encouragingly the year on year attendance numbers at venues who operated this programme for their second season increased with a peak average of c.20% growth.

Coaching

Aim

To have more players, at all levels, receiving a better tennis experience, through better coaching and opportunities to compete or play socially. To achieve this we will continue to become more relevant to coaches through the support and training that we support and offer.

Strategy and Activities

The Coach Development Strategy identified four primary objectives:

- Provide great support to all coaches so that they deliver great on court experiences for all players;
- Develop career opportunities for the coaching workforce by working with tennis venues including commercial operators;
- Develop a new coaching workforce that can take tennis to more people and make it easy to access; and

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Strategic Report (continued)

- Develop GB high performance coaches so they have the skills and knowledge to transition young players to the professional game.

A focus for 2015 has been to improve the quality of the training that we offer to coaches and to ensure that we continually lead the way with coaching content that supports a great on-court experience for all players. The spring coaching forums and the LTA Coach Conference were two of our main touch points with coaches during the year. In addition, we redeveloped and re-launched the way that we accredit non LTA CPD courses. The new process is more rigorous and will ensure that coaches receive higher levels of service and content.

Qualifications continue to be an important area of delivery. Courses and leaning programmes have been reviewed to ensure that coaches have the skills and knowledge to make their coaching sessions inclusive.

Developing a non-traditional tennis workforce with initiatives such as the Tennis Activator continues to be an important area of work. In addition, spreading the influence of the existing workforce by ensuring that more traditional coach roles such as head coach positions develop and support community outreach has proven to be an effective approach.

Achievements and Objectives

The coaching forums were well received with over 1,000 coaches (2014: 900) attending one of 23 forums (2014: 24). The National Coach Conference had 250 delegates (2014: 220) and received a 96% satisfaction rate. During 2015, 3,406 coaches (2014: 3,623) undertook qualifications which included 2,121 people (2014: 2,340) obtaining a Level 1 award.

Competitions

Aim

To provide an inclusive competition offer which provides a variety of year round opportunities, for adults and juniors, to play in appropriate competition focussed on the principles of local, team and fun.

Strategy and Activities

The delivery of the new competition strategy commenced at the start of 2015. The strategy focuses on providing more recreational competition opportunities for juniors that are local, team focused and fun to play.

As part of the new strategy we focussed on two main areas in 2015; providing greater support and focus to park league competition through a formalised partnership with local tennis leagues, a refreshed approach to local marketing and a re-vamped digital proposition to help achieve a growth in players to 4,700 and 16 new leagues. Secondly, we researched best practice with respect to junior recreational competition formats from both other sports and NGBs and our own network and distilled our findings to help develop and test three new recreational competition products, Junior Club Nights, Junior Competition Festivals and a new Junior Team Competition – plans are in place to further refine and launch these new formats during 2016 and 2017.

In addition, we launched the Quorn Family Tennis Cup (342 venue sign ups, 3,674 players) and we continued to support and grow a number of successful competitions including Aegon Team Tennis, the three Team Tennis Schools competitions, HSBC Road to Wimbledon and the County Championships.

We have also started work to modify our existing junior tournament structure by introducing a new combined ranking system and trialling the use of FAST4 as a scoring format in the Winter County Tour.

Achievements and Objectives

Team Tennis Schools, the programme of three nationally organised competitions, saw 3,042 (2014: 3,204) teams and 13,540 (2014: 13,700) players take part during 2014/15. The largest of these three competitions; Team Tennis Schools Years 8 and 10 saw 2,502 teams enter (2014: 2,584). In 2016, the competition will introduce Division 2 Regional Festival Days which will be played during the autumn term.

The Winter Regional Tour provided tournament opportunities for over 2,400 players in the 2014/15 winter season across England, Scotland and Wales. 99% of the events were completed with a positive capacity rate across all age groups. In line with a change in focus towards recreational competition, a review of the tour is in progress focussing on the programme offer and how it is delivered.

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Strategic Report (continued)

The strategic report on pages 4 to 10 was approved and authorised for issue by the Board on 29 February 2016 and is signed on their behalf by:

Geoff Newton
Executive Director

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Structure, Governance and Management

The trustees

The activities of the Foundation are overseen by a Board of Trustees who met three times during the period under review. At each meeting of the Board, written and oral reports were given by the Executive Director and a member of the LTA finance team which provides financial services to the Foundation. The Board considered these reports and reviewed strategy and performance generally.

The appointment of the trustees is governed by the Foundation's Articles of Association and amendments to these provisions were approved at a general meeting in July 2014. At every annual general meeting a trustee who has served for a term of three years shall retire and may be reappointed by the trustees provided that a trustee who has served three consecutive periods shall usually, unless exceptional circumstances apply, take a break from office and shall not be reappointed for one year. The appointment or reappointment of a Trustee shall be announced at the annual general meeting. It is the policy of the Foundation to recruit via an open recruitment process which includes advertising the position and an interview process resulting in making a recommendation to the Nominations Committee and final approval by the Board. There can be a minimum of three and a maximum of 15 trustees.

During the period under review, the following people were appointed as trustees: Cynthia Muller and Nick Fuller.

On appointment, new trustees are provided with copies of the Articles of Association of the Foundation, minutes of previous Board meetings, copies of Annual Reports and Financial Statements and details of their responsibilities as trustees in law. New trustees receive an induction pack which provides detailed information on the working of the Foundation. They also receive training from the Executive Director and Company Secretary and any other relevant personnel designated by the Chairman or Executive Director.

All trustees are encouraged to take a direct interest in the Foundation and to attend as many events as possible, such as competitions, disability and community events, and road shows. Details of the trustees can be found on page 14.

Nominations Committee

The purpose of the Nominations Committee is to review and consider appointments to the Board and to make recommendations with regard to any changes. It met once during the period under review (2014: two) and was regularly consulted via email. The members of the Nominations Committee are the President, Chairman and two other trustees, Ian Hewitt and Martin Corrie.

Investment Committee

The purpose of the Investment Committee is to review the Foundation's investment policy relating to its portfolio of investment securities and such other assets as the Board may decide. It met once during the period under review (2014: one). The members of the Investment Committee are the President, Chairman, Honorary Treasurer and another trustee, Ian Hewitt.

The Board gives guidance as to the balance required between income and capital growth, risk parameters and the investment strategy having due regard to the law and regulations on the investment of charitable assets.

Remuneration Committee

The purpose of the Remuneration Committee is to review the remuneration including bonus policy of the Foundation. It met once during the period under review (2014: one). The members of the Investment Committee are President, Chairman, Honorary Treasurer and another trustee, Ian Hewitt.

Management

The day-to-day management and decision making of the Foundation is delegated by the trustees to an executive team led by its Executive Director, Geoff Newton.

Executive Management remuneration is set with advice from HR Professionals (LTA HR team), in accordance with the Foundation's remuneration policy overseen by the Remuneration Committee.

Employee Engagement

The Foundation values the views and involvement of its employees. During the year, the Foundation has a policy of providing employees with information about the Tennis Foundation and British Tennis via various forms of internal communications and employees are encouraged to present their suggestions and views. Management and employees meet regularly as a whole team when managers update employees on strategic matters and also in

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regular operational meetings with their manager. These meetings allow for a free exchange of information and ideas. It also carried out a formal employee engagement survey in 2015 and will implement the agreed actions during 2016.

The Foundation is committed to making tennis accessible and open to everyone who wants to be involved in the game. Its policy is to treat everyone equally, fairly and consistently.

Applications for employment by disabled persons are always fully considered, taking into account the aptitudes of the applicants. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate re-training is made available. The Foundation's policy is that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees.

Financial Review

The statement of financial activities for the year is set out on page 18 of the financial statements.

In the prior accounting period the Foundation changed its accounting reference date to 31 December from 30 September to improve the annual planning and budgeting cycle and to align itself to other tennis bodies. The financial statements presented within the report therefore represent a prior year comparative 15 month period from 1 October 2013 to 31 December 2014.

In 2015 the Foundation adopted the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP under FRS102). There were no adjustments to the financial statements as a result of this change.

Incoming resources were £11,259,000 (2014: £14,827,000). The two primary sources of income were donations from the LTA and The Championships, Wimbledon. The decrease in income was due to additional gift aid received from the LTA in the prior period following the change to a 15 month period versus 12 months in the current year. Further details are shown in Note 2.

The total net movement in funds for the year was a deficit of £941,000 (2014: £582,000). The deficit of unrestricted funds was £202,000 after £43,000 of revaluation gains (2014: £498,000 surplus after £191,000 revaluation gain). Note 4 details the total expenditure on the various elements of the Foundation's charitable activities. The deficit of restricted funds was in line with the agreed policy decision to use these funds in an appropriate manner. Details of the net movement in restricted funds' deficit of £739,000 (2014: £1,080,000 deficit), are given under note 13.

Details of the performance of the Foundation's subsidiary, TF Enterprises Limited, are set out in note 8 to the financial statements. TF Enterprises Limited generated a profit after taxation of £25,000 (2014: £15,000). The Company performed according to plan and the directors are satisfied with the outcome.

Responsibilities and Policies

The Board of the Foundation has adopted many of the LTA policies, including those related to Employment Policies, Anti-bribery Policy, Equality and Diversity Policy and Safeguarding Policy.

Reserves Policy

The reserves policy of the Foundation is to maintain free reserves equal to approximately one year's net expenditure on those programmes operated by the direct employees of the Foundation. The reserves are held to mitigate against the short-term loss of funding from one or more of the major funding sources. The policy is reviewed annually.

At the year-end, total unrestricted reserves held by the Foundation amounted to £4,871,000 (2014: £5,073,000). The restricted reserves held by the Foundation were £1,827,000 (2014: £2,566,000).

Risk Management

Management has assessed the major risks to which the charity is exposed as including: too few sources of income and the impact of losing one or more source of income, negative publicity, failure to engage with the public, particularly the non-traditional tennis audiences, failure to meet legal requirements, exposure to fraud and not having adequate insurance cover.

The Board and management have reviewed these areas of potential risk and concluded that, operationally, these risks are significantly mitigated. Financial and legal record keeping is performed by the LTA which has adequate internal controls, insurance cover is reviewed every year, and a lawyer is on hand when needed. The exposure to a loss of income was taken into account when the investments and reserves policy was agreed, and reserves are held to cover

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one year's net expenditure on programmes operated by the direct employees of the Foundation. Long term commitments are not made without having the cash in hand. Work has been done to understand the barriers to tennis participation and programmes are being put in place based on the findings of the research.

Investment Policy

The Investment Committee's responsibility is to implement the investment policy and monitor the performance of the Foundation's investments. The Board is updated on the performance of the investments at each Board Meeting and seeks professional advice when required.

The investment policy of the Foundation is to generate a positive financial return on funds over a medium to long term period through a balanced portfolio with a low risk profile and low capital volatility.

During the period under review, the Foundation reviewed the policy and its existing investments. As at 31 December 2015 investments were held with Troy Asset Management and Baillie Gifford. The investment portfolios have low risk profiles and aim to achieve a capital gain over the medium to long term.

Indemnity Insurance

The trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period under review and is currently in force. Directors' and Officers' Liability Insurance to indemnify the trustees against the consequence of neglect or default on their part was purchased by the LTA but not recharged to the Foundation and has been treated as a gift in kind.

Related Parties

The Foundation works closely with the LTA, the governing body of tennis in Great Britain, and the AELTC in the pursuit of its charitable objectives. As such, these organisations are significant and major benefactors to the Foundation, providing the majority of the covenants and gift aid resources received. Note 2 in the financial statements provide details of the gift aid payments provided to cover the cost of the charitable activities approved by the Board.

The Foundation also has a wholly owned subsidiary, TF Enterprises Limited, whose principal activity is to receive sponsorship and undertake other commercial activities on behalf of the Foundation.

For further information on related parties see Note 18 of the Financial Statements.

Grant Giving

An aspect of the Foundation's work is the provision of capital and revenue grants.

Applications that are eligible for capital funding are assessed on behalf of the Foundation by the Funding Advisory Group of the LTA, before the final approval is given by the Foundation. Funding, meeting the Foundation's objectives, is concentrated on local authority sites, clubs and schools. Funds are provided towards the development of indoor structures, floodlights and the renovation of local authority courts.

In addition, grants are also awarded to assist in tennis development, education, and disability tennis. In relation to activities managed by the LTA, these grants are approved by the Executive of the LTA on delegated authority by the Foundation in accordance with pre-approved budgets. They include grants to counties to assist with coaching and development programmes at a county level, which are awarded on the specific needs of each county.

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Administrative Information

President	Sir Geoffrey Cass
Vice-President	Sir Cliff Richard
Board of Trustees	Mr J Lane OBE (Chairman) Ms F Awoderu Sir Geoffrey Cass Mr M Corrie Rt. Hon. Baroness T Grey-Thompson Mr N Fuller (appointed 26 th February 2015) Rt Hon. Baroness M Ford (Deputy Chair) Mr I Hewitt Mr B Horne Mr J Hunter Ms C Muller (appointed 12 th November 2015) Rt. Hon. Dame T Jowell Ms K Keohane Mr M Stocks Mr C Trippe (resigned 25 th March 2015)
All the above trustees are members of the Foundation.	
Executive Director	Mr G Newton
Finance Director	Mr C Trippe as Honorary Treasurer (resigned 15 th March 2015) was replaced by Ms C Muller (appointed 19 th November 2015) with day to day services provided by the LTA Finance team.
Secretary and Deputy Executive Director	Mrs J Farquharson
Executive team	Mr M Bain Mr T Gibbins Ms H Hamilton Mr G Richards
Registered (and Principal) Office	National Tennis Centre 100 Priory Lane Roehampton, London SW15 5JQ
Independent Auditors	PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors 1 Embankment Place, London WC2N 6RH
Bankers	Coutts Bank, 44 Strand, London WC2R 0QS National Westminster Bank, King Street, Hammersmith, London W6 9RG
Solicitors	Bates, Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
Investment Managers	Baillie Gifford & Co Limited Calton Square, 1 Greenside Row, Edinburgh EH1 3AN Troy Asset Management Limited Brookfield House, 44 Davis Street, London W1K 5JA

The Tennis Foundation

Statement of trustees' responsibilities

The trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

The trustees of the Foundation who held office on the date of approval of this annual report set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the Foundation's auditors in connection with preparing their report) of which the Foundation's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

Approved and authorised for issue by the Board of Trustees on 29th February 2016 and signed on its behalf by

Joanna Farquharson
Company Secretary

The Tennis Foundation

Independent Auditors' Report to the Members of the Tennis Foundation

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by the Tennis Foundation, comprise:

- the balance sheet as at 31 December 2015;
- the statement of financial activities incorporating the summary income and expenditure account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The Tennis Foundation

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees 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.

Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 February 2016

The Tennis Foundation

Statement of Financial Activities Incorporating an Income and Expenditure Account For the 12 months ended 31 December 2015

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	Note	Year to 31st Dec 2015 £000	Year to 31st Dec 2015 £000	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000	Period to 31st Dec 2014 £000	Period to 31st Dec 2014 £000
Income from							
Donations and legacies	2	10,645	-	10,645	13,969	66	14,035
Income from investments	3	50	6	56	46	10	56
Income from Charitable activities		467	91	558	735	1	736
Total income		11,162	97	11,259	14,750	77	14,827
Expenditure on							
Charitable activities	4 & 5	11,407	836	12,243	14,443	1,157	15,600
Total expenditure		11,407	836	12,243	14,443	1,157	15,600
Net gains on investments	11	43	-	43	191	-	191
Net income/(expenditure)		(202)	(739)	(941)	498	(1,080)	(582)
Net movement in funds		(202)	(739)	(941)	498	(1,080)	(582)
Fund balances brought forward at 1 January / 1 October	13	5,073	2,566	7,639	4,575	3,646	8,221
Fund balances carried forward at 31 December	13	4,871	1,827	6,698	5,073	2,566	7,639

The net movement in funds for the current period and prior year derive from the continuing activities of the Foundation.

The company has no recognised gains and losses other than those included in the results above.

There is no material difference between the net outgoing resources before other recognised gains and losses and the net movement in funds for the financial year/period stated and their historic cost equivalents.

The notes on pages 21 to 31 form part of these financial statements.

The Tennis Foundation

Balance Sheet

As at 31 December 2015

	Note	31st Dec 2015 £000	31st Dec 2014 £000
Fixed assets:			
Investments	8	-	-
Tangible assets	9	14	12
Total fixed assets		14	12
Current assets:			
Debtors: amounts falling due within one year	10	1,351	519
Debtors: amounts falling due after one year	10	198	269
Investments	11	3,327	3,284
Cash at bank and in hand		5,832	7,292
Total current assets		10,708	11,364
Creditors: amounts falling due within one year	12	(4,024)	(3,737)
Net current assets		6,684	7,627
Total assets less current liabilities		6,698	7,639
The funds of the charity:			
Restricted income funds	13	1,827	2,566
Unrestricted income funds	13	4,871	5,073
Total charity funds		6,698	7,639

The financial statement on pages 18 to 31 were approved by the Board of Trustees on 29 February 2016 and signed on its behalf by

Jonathan Lane
Trustee

The notes on pages 21 to 31 form part of these financial statements.

Company Number 2138124

The Tennis Foundation

Cash Flow Statement For the year ended 31 December 2015

	Note	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
Net cash outflow from operating activities	15	(1,511)	(199)
Cash flows from investing activities			
Interest received	3	16	15
Investment income received	3	40	41
Fixed asset addition		(5)	(13)
Decrease in cash in the year		<u>(1,460)</u>	<u>(156)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		(1,460)	(156)
Opening cash		7,292	7,448
Closing cash		<u>5,832</u>	<u>7,292</u>

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

The notes on pages 21 to 31 form part of these financial statements.

The Tennis Foundation

Notes to the financial statements For the year ended 31 December 2015

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 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 under FRS102). The Foundation has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Foundation activities. The financial statements have been prepared on a going concern basis and accounting policies have been applied consistently.

b) Consolidation

The Tennis Foundation has one wholly owned 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.

c) Fund accounting

The Foundation's funds comprise:

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

d) Incoming resources

All income is included in the Statement of Financial Activities when the Foundation is entitled to the income, the amount can be quantified with reasonable accuracy, and it's probable that the cash will be received.

i) Gift aid

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

ii) Voluntary income - donations and grants

Donations and grants are recognised as incoming resources when commitment has been confirmed. Where a grant has been received for a specific purpose, it is recognised as incoming resources in the Statement of Financial Activities when receivable and held in a restricted reserve. Grants receivable would be deferred only if the grant was subject to donor imposed or performance related conditions that specified a future time period when the expenditure of resources should take place.

iii) Legacies

Incoming legacies are included in the Statement of Financial Activities when receipt is probable and the fair value amount receivable can be estimated with reasonable accuracy.

iv) Investment income

Investment income from investments and 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.

v) Events income

Incoming resources from charitable activities are recognised on an accruals basis.

vi) Incoming resources from charitable activities

Incoming resources from charitable activities are recognised on an accruals basis.

vii) Volunteers

The value of services provided by volunteers has not been included.

The Tennis Foundation

All incoming resources are generated in the United Kingdom.

e) Resources expended

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

i) *Costs of generating voluntary income*

Costs of generating funds comprise the costs directly associated with attracting voluntary income and overhead and support costs relating to this activity. It also includes investment management fees.

ii) *Charitable activities*

Charitable activities comprise expenditure related to carrying out the various projects and programmes of the Foundation in advancement of its objects. Expenditure includes directly attributable costs.

iii) *Allocation of overhead and support costs*

Overhead and support costs are allocated between The Foundation's activities on the basis of the percentage of the total costs the activity absorbs.

iv) *Governance costs*

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and include audit fees and costs linked to the strategic management of the charity.

f) Pensions

Contributions payable to defined contribution schemes are charged to the profit and loss account in the year to which they relate. There are no defined benefit pension obligations.

g) Taxation

No charge to corporation tax arises as the Company is a registered charity. The Foundation is registered for value added tax (VAT) and, accordingly its expenditure is recorded exclusive of any VAT incurred.

h) Irrecoverable VAT

Where irrecoverable VAT is incurred, it is charged to the Statement of Financial Activities as an overhead cost, or capitalised as part of the cost of the related asset, where appropriate.

i) Grants payable

Grants are recorded as liabilities on approval of the grant by the Board of Trustees and its communication to the recipient.

j) Investments

Listed investments are stated at fair value based on the closing price at the balance sheet date. Surpluses or deficit on sale or revaluation are dealt with in the Statement of Financial Activities within the fund owning the investments. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Investments are classified as current assets to reflect the fact that they are short term in nature and are not part of a long term investment strategy.

k) Depreciation

Tangible fixed assets are stated in the balance sheet at cost less provision for depreciation. Accumulated depreciation is calculated to write off the costs, less estimated residual value, of tangible fixed assets over their expected lives by equal annual instalments. Depreciation is provided on all tangible fixed assets.

The following asset lives were used:

Field Equipment 5 years

l) Investments

Investments in subsidiaries are stated at cost less any provision considered necessary for permanent diminution in value.

The Tennis Foundation

m) Loans

Loans made on an interest free basis are initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

2. Voluntary income

	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
LTA Operations Limited	7,076	10,330
The Championships	3,000	3,000
TF Enterprises Limited	22	15
Other	547	690
	10,645	14,035

The amounts above from LTA Operations Ltd, The Championships & TF Enterprises Ltd were all donations.

Included above in Other is £359,410 (2014: £556,778) from UK Sport and £88,375 (2014: £nil) from Sport England, and £60,000 (2014: £nil) from Greater London Authority. At year end £13,000 (2014: £8,000) was owing from UK Sport that was subject to an audit.

3. Investment income

	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
Income from listed investments and investment funds	40	41
Interest from cash deposits	16	15
	56	56

All investment income relates to assets held in the UK.

4. Charitable activities

	Direct costs £000	Grant funding (note 16) £000	Support costs (note 6) £000	Total Year to 31st Dec 2015 £000	Total Period to 31st Dec 2014 £000
Junior tennis development	32	-	8	40	-
Community	690	130	237	1,057	1,846
Tennis development	2,218	426	758	3,402	4,400
Coaching	711	121	239	1,071	1,597
Education	1,127	713	528	2,368	3,009
Competitions	368	-	107	475	845
Disability tennis	2,559	409	851	3,819	3,893
	7,705	1,799	2,728	12,232	15,590

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5. Governance costs

	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
Auditors' remuneration - audit services current year / period	9	8
Support costs (note 6)	2	2
	<u>11</u>	<u>10</u>

6. Allocation of overhead and support costs during the year / period

	TOTAL	Junior tennis development	Community	Tennis development	Coaching	Education	Competitions	Disability tennis	Governance costs	Total Year to 31st Dec 2015	Total Period to 31st Dec 2014
	£'000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Office support costs	1,400	5	121	389	122	271	54	437	1	1,400	1,751
Management costs	900	2	78	250	79	174	35	281	1	900	887
Property costs	76	-	7	21	7	15	3	23	-	76	85
Finance	354	1	31	98	31	68	15	110	-	354	580
	<u>2,730</u>	<u>8</u>	<u>237</u>	<u>758</u>	<u>239</u>	<u>528</u>	<u>107</u>	<u>851</u>	<u>2</u>	<u>2,730</u>	<u>3,303</u>
Total costs excluding support costs	2015	32	820	2,644	832	1,840	368	2,968	9	9,513	
Percentage of total costs	2015	0%	9%	28%	9%	19%	4%	31%	0%	100%	
Total costs excluding support costs	2014	-	1,455	3,468	1,259	2,372	666	3,069	8		12,297
Percentage of total	2014	0%	12%	28%	10%	19%	6%	25%	0%		100%
		<u>-</u>	<u>320</u>	<u>687</u>	<u>403</u>	<u>459</u>	<u>72</u>	<u>470</u>	<u>3</u>		<u>2,414</u>

7. Employees

The average monthly headcount of full time employees (excluding Trustees) employed directly by The Foundation during the year/period was:

	Year to 31st Dec 2015 Number	Period to 31st Dec 2014 Number
Disability Tennis	17	17
Education	5	5
Administration	7	6
Community	1	1
	<u>30</u>	<u>29</u>

	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
Direct staff costs relating to the above persons:		
Wages and salaries	1,387	1600
Social security costs	166	187
Other pension costs	73	75
	<u>1,626</u>	<u>1,862</u>

95 employees are employed jointly by LTA Services Limited and The Foundation (2014: 89). LTA Services Limited charges The Foundation for the provision of these staff at cost plus a 1% administration charge. The recharge of £2,599,000 (2014: £3,458,000) comprises; wages and salary costs of £2,208,000 (2014: £2,931,000), social security costs of £226,000 (2014: £302,000), pension costs of £116,000 (2014: £156,000) and other operating expenses relating to these staff of £49,000 (2014: £69,000).

The number of Tennis Foundation employees whose emoluments exceeded £60,000 were:

	2015 Number	2014 Number
£60,001 - £69,999	2	1
£90,000 - £99,999	-	1
£100,000 - £109,999	2	1
£180,000 - £189,999	-	1
£200,000 - £209,999	1	-
	<u>5</u>	<u>4</u>

For the five members of staff (2014: four) whose annual emoluments exceeded £60,000, pension contributions amounting to £31,069 (2014: £31,263) were paid in the period/year for the provision of money purchase benefits.

Total emoluments to the six (2014: five) key management personnel were £590,924 (2014: £604,240).

Trustees' remuneration

None of the Trustees (2014: one) received remuneration from The Foundation (2014: £294). Three Trustees (2014: six) received reimbursement totalling £1,533 for travel and accommodation expenses (2014: £4,888). None of the Trustees were accruing benefits under the money purchase pension scheme.

Pension costs

The employees of The Tennis Foundation are members of The Lawn Tennis Association (The "LTA") pension scheme. The LTA Group Money Purchase Pension Plan is closed for new contributions and members but has assets which are held in a separate trustee administered fund. The Trustees of the scheme are all officers of The Lawn Tennis Association. All new contributions for The Foundation's employees are paid into The LTA Group Personal Pension Plan. The pension plan is funded by contributions from The Foundation and its employees. Annual

The Tennis Foundation

contributions to the scheme by The Foundation were related to pensionable salaries and the total pension cost charged for the period amounted to £73,304 (2014: £74,631). There were no outstanding or prepaid contributions as at 31 December 2015 (2014: £nil).

8. Investments

The principal activity of the subsidiary undertaking (TF Enterprises Limited) is to receive sponsorship and undertake other commercial activities on behalf of The Foundation. A summary of the audited results of TF Enterprises Limited at 31 December is shown below:

	31st Dec 2015	31st Dec 2014
	£000	£000
Turnover	<u>25</u>	<u>15</u>
Profit for year / period after taxation	<u>25</u>	<u>15</u>
Net assets:		
At beginning of year / period	<u>4</u>	<u>5</u>
At end of year / period	<u>7</u>	<u>4</u>
TF Enterprises Limited		
100 ordinary shares of £1 each (100% of the company)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

9. Tangible Assets

	Field equipment £'000s	Total £'000s
Cost:		
at 1 January 2015	13	13
Additions	5	5
Disposals	-	-
at 31 December 2015	<u>18</u>	<u>18</u>
Accumulated depreciation:		
at 1 January 2015	(1)	(1)
Charge for the year/period	(3)	(3)
Disposals	-	-
at 31 December 2015	<u>(4)</u>	<u>(4)</u>
NBV at 31 December 2015	<u>14</u>	<u>14</u>
NBV at 31 December 2014	<u>12</u>	<u>12</u>

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10. Debtors

	31st Dec 2015	31st Dec 2014
	£000	£000
Amounts falling due within one year:		
Trade debtors	170	102
Amounts due from subsidiary	5	-
Loans repayable by places to play	68	124
Other debtors	867	175
Prepayments	10	27
Accrued income	231	91
	<u>1,351</u>	<u>519</u>
Amounts falling due after one year:		
Loans repayable by places to play	<u>198</u>	<u>269</u>

Loans made to places to play are made on an interest-free basis.

11. Investments

	31st Dec 2015	31st Dec 2015	31st Dec 2015	31st Dec 2014
	£000	£000	£000	£000
Listed securities at market value:	Troy Asset Management	Baillie Gifford	Total	Total
Balance at beginning of year/period	1,546	1,738	3,284	3,093
Unrealised gain/(loss) on revaluation to market value	42	1	43	191
Balance at end of year/period	<u>1,588</u>	<u>1,739</u>	<u>3,327</u>	<u>3,284</u>
Listed securities at historical cost			<u>2,975</u>	<u>2,975</u>

All investments are held in the UK and provide an investment return for the Foundation. The Directors believe that the carrying value of the investments are supported by the underlying net assets.

12. Creditors: amounts falling due within one year

	31st Dec 2015	31st Dec 2014
	£000	£000
Trade creditors	71	24
Amounts owed to LTA group companies	1,535	710
Taxation and social security	66	44
Accruals and deferred income	2,352	2,959
	<u>4,024</u>	<u>3,737</u>

The Tennis Foundation

13. Statement of funds

	Fund at start of year	Income	Expenditure	Net (expenditure) / income	Transfer of Funds	Fund at end of year
	£000	£000	£000	£000	£000	£000
Unrestricted Funds						
General unrestricted funds	4,427	11,162	(11,407)	(245)	-	4,182
Other unrestricted recognised gains/(losses)	646	43	-	43	-	689
Total unrestricted funds	5,073	11,205	(11,407)	(202)	-	4,871
Restricted Funds						
ITI Fund	1,920	96	(804)	(708)	-	1,212
Capital Grant Fund	115	1	-	1	-	116
Cliff Richard Tennis Trail - General	153	-	-	-	-	153
Cliff Richard Tennis Trail - Suffolk	83	-	-	-	-	83
Seed Legacy Fund	60	-	-	-	-	60
PESSYP	57	-	-	-	-	57
Murton Pitts	37	-	(3)	(3)	-	34
Intercity Challenger Fund	41	-	-	-	-	41
Barclays Capital City Tennis Programme	7	-	(1)	(1)	-	6
Frank Brake Tennis Scholarship	25	-	(15)	(15)	-	10
BSTA	3	-	-	-	-	3
Young Players	8	-	-	-	-	8
The Lord Taverners	6	-	-	-	-	6
The Harris Fund	10	-	-	-	-	10
Keith Baker Fund	41	-	(13)	(13)	-	28
Total restricted funds	2,566	97	(836)	(739)	-	1,827
Total funds	7,639	11,302	(12,243)	(941)	-	6,698

The purposes of each fund are provided below:

ITI Fund:	To provide capital and revenue grant aiding for indoor and outdoor tennis facilities on local authority land
Capital Grant Fund:	To provide capital grant aiding for indoor and outdoor tennis facilities.
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
Barclays Capital City Tennis Programme:	To fund training programmes for financially disadvantaged juniors
Frank Brake Tennis Scholarship:	For coaching juniors in Kent
BSTA:	British Schools Tennis Association to promote tennis in schools
Young Players:	For the development of young players needing financial support
The Lord Taverners	For the development of junior wheelchair tennis
The Harris Fund	For the support of Kent LTA
Keith Baker Fund	For the support of deaf tennis

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

The Tennis Foundation

14. Analysis of net assets between funds

	Unrestricted Funds 31st Dec 2015 £000	Restricted Funds 31st Dec 2015 £000	Total Funds 31st Dec 2015 £000
Cash	3,496	2,336	5,832
Investments	3,327	-	3,327
Fixed Assets	14	-	14
Other current assets	1,549	-	1,549
Creditors: amounts falling due within one year	(3,515)	(509)	(4,024)
Total	4,871	1,827	6,698

In order to maximise efficiencies in relation to its working capital, the Foundation manages its cash jointly across unrestricted and restricted funds.

15. Reconciliation of net outgoing resources to net cashflow from operating activities

	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000
Net expenditure before gains / (losses) on investments	(983)	(773)
Interest receivable	(16)	(15)
Investment income receivable	(40)	(41)
Depreciation	3	1
Increase in debtors	(761)	(274)
Increase in creditors	286	903
Net cash outflow from operating activities	(1,511)	(199)

16. Grants payable

	Grants to institutions Total	Grants to individuals Total	Grants to institutions Total	Grants to individuals Total
	Year to 31st Dec 2015 £000	Year to 31st Dec 2015 £000	Period to 31st Dec 2014 £000	Period to 31st Dec 2014 £000
Community	130	-	855	-
Tennis development	423	3	615	-
Coaching	121	-	102	-
Education	713	-	806	-
Disability Tennis	309	100	319	311
Total grants	1,696	103	2,697	311

The Tennis Foundation

Significant grants (in excess of £250,000) made to institutions in 2015

Name of institution	Charitable Activity	Purpose of grant	Year to	Period to
			31st Dec	31st Dec
			2015	2014
			£000	£000
Arete Leisure Limited	Community	CITC Capital Funding	-	500

17. Related parties

TF Enterprises Limited is a wholly owned subsidiary of the Foundation whose principal activity is to receive sponsorship and undertake other commercial activities on behalf of the Foundation. During the year TF Enterprises Limited donated £22,000 (2014: £15,000) to the Foundation. At the balance sheet date £5,000 was due from TF Enterprises Limited (2014: £nil).

The Lawn Tennis Association ("the LTA") is the governing body of tennis in Great Britain, the Channel Islands and the Isle of Man. Its objects are to promote and develop tennis and to advance and safeguard the interests of the sport and the governing body. During 2015 LTA Operations Ltd donated £7,076,000 (2014: £10,330,000) to The Foundation. At the balance sheet date £nil (2014: £nil) was due from the LTA in respect of this transaction.

Under agreement, the LTA and The Foundation run a number of programmes jointly in partnership for the advancement of tennis across the areas of schools, juniors and tennis facilities. 95 employees (2014: 89) are employed jointly by LTA Services Limited (a subsidiary of the LTA) and The Foundation in order to operate and administer these charitable programmes. During the period, the LTA and its subsidiaries charged The Foundation £2,599,000 (2014: £3,458,000) for the provision of staff and £1,400,000 (2014: £1,750,000) for support, administrative and management services provided to the Foundation. At the balance sheet date £882,000 (2014: £627,000) was due to the LTA and its subsidiaries in respect of these transactions and this was included within the creditors balance as at 31 December 2015.

The Lawn Tennis Championships ("The Championships") are held annually at Wimbledon. The Championships are controlled, managed and promoted by a Committee of Management consisting of members representing The All England Lawn Tennis & Croquet Club and the LTA. During the period The Championships made a donation to The Foundation of £3,000,000 (2014: £3,000,000). At the date £nil (2014: £nil) was due from The Championships in respect of this transaction.

18. Ultimate Controlling Party

The Tennis Foundation is a company limited by guarantee and the members undertake to contribute £1 in the event of the company being wound up. In 2015 there were 62 members (2014: 65 members).

19. Transition to FRS 102

There are no principle differences for the Company between reporting under FRS102 as compared to reporting under UK GAAP as at 1 October 2013, or for the period ended 31 December 2014 on transition to FRS 102.

There were no adjustments to the Company's Statement of financial position at 1 October 2013 or 31 December 2014 on transition to FRS 102.