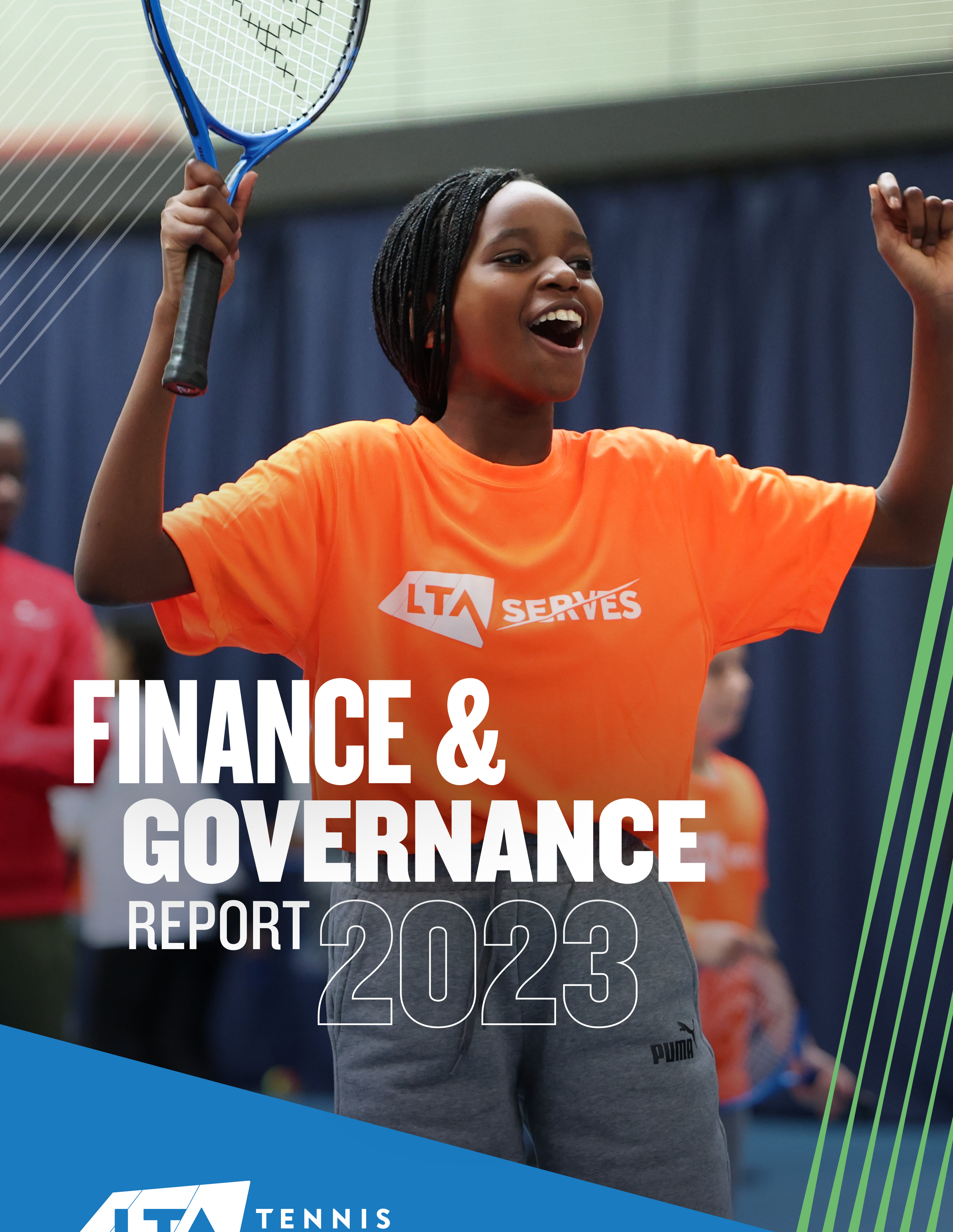

FINANCE & GOVERNANCE

REPORT 2023

LTA TENNIS FOR BRITAIN

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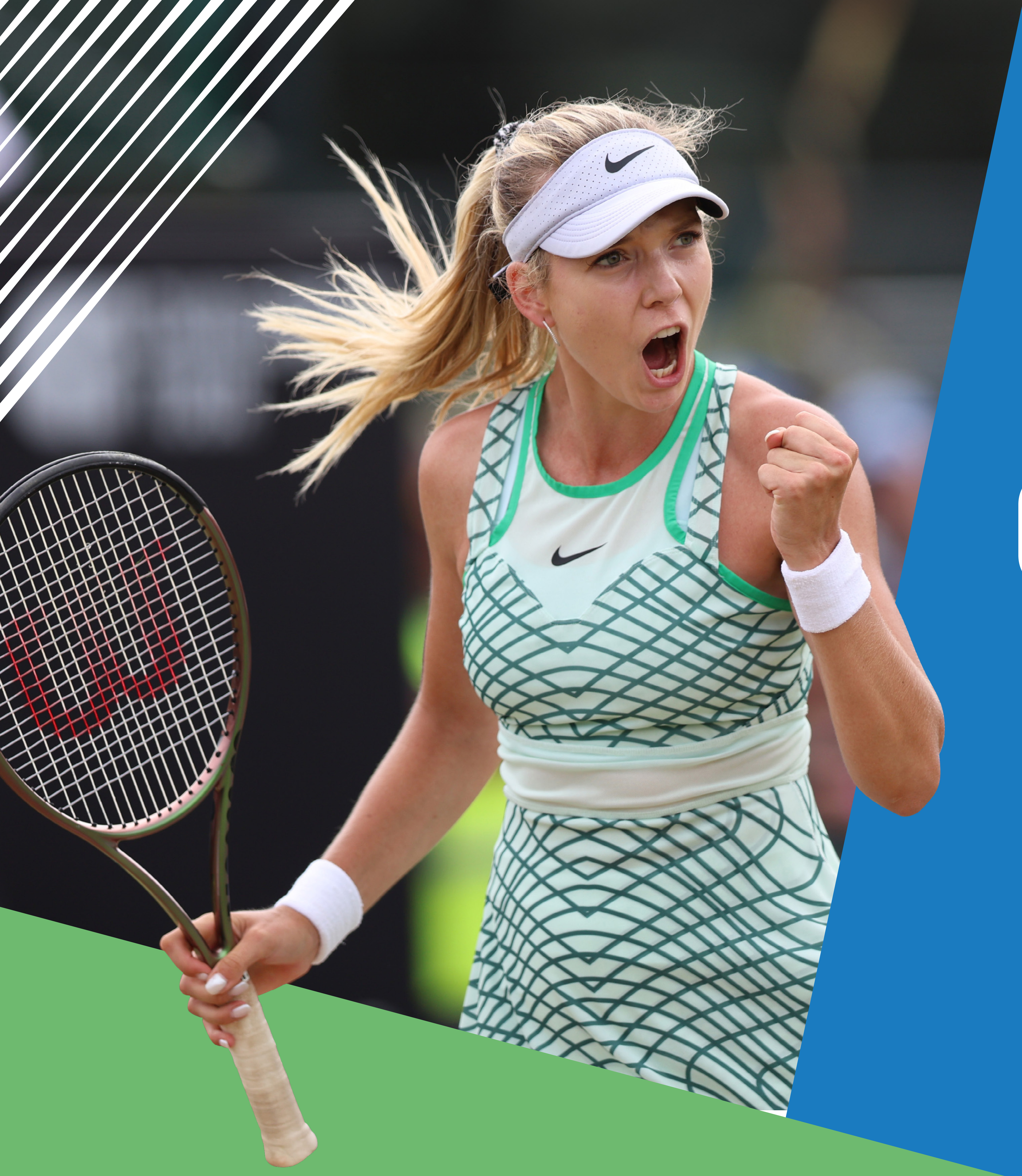
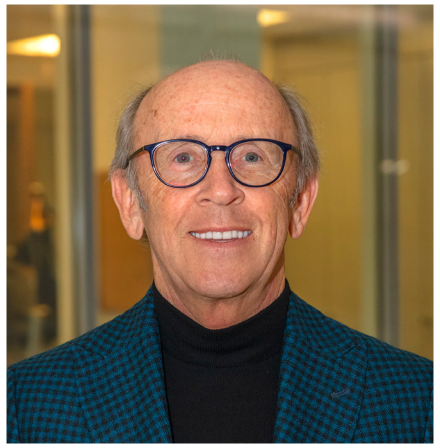


CHAIR'S REPORT

CHAIR'S REPORT



Welcome to the LTA's Finance and Governance Report for 2023.

I would like to set out some of the progress we have made this year and, as 2023 was the final year of our 2019–2023 strategy, take a moment to look back on what has been achieved over the five years.

We enter 2024 in a far stronger position than we were in 2019. The tennis landscape looked quite different back then - fewer people were playing tennis and it could be viewed by some as an elitist sport, which was not always easy to access or play.

We wanted to strengthen our sport and attract new and diverse audiences and so we developed a common vision **Tennis Opened Up** with a mission to grow tennis by making it relevant, accessible, welcoming and enjoyable. Whilst there is still more to do, the data we have shows that our strategy is working and we will continue to evolve it over the next three years.

This success comes against a backdrop of significant wider challenges such as the pandemic, the Russia/Ukraine war and the question over participation of Russian and Belarusian players in our events in 2022 which saw the LTA fined £1.4m by the WTA and ATP, which was later halved, as well as a significant cost of living crisis and economic downturn.

Despite these challenges, at the end of the five years, we have met all six of our business objectives. We have increased our fan base and reversed the decline in participation, championed new forms of the sport, such as padel, and we've seen strong results among our elite players. We have also maintained our financial position and continued to ensure inclusion sits at the heart of everything we do.

We can see that the work we have been doing has been inspiring more people to pick up a racket and play. We have almost tripled the number of LTA Advantage members to just over 1.5m – up from 580,000 in 2019. We know our customers better than ever and engage with them in a more personal way, whether this be around playing and competing in tennis, attending one of our events, or following our sport as a fan.

At the grass roots of the game, we are seeing strong progress on our vision to open tennis up.

Adult annual tennis participation has grown rapidly – up 44% from January 2019 to December 2023. Over this period, there was growth in participation across both men and women, all age groups, and in regular monthly and recreational annual play across all five LTA English regions, Scotland and Wales. These are the highest figures we have recorded since our current survey began in 2015.

Not only are more people playing tennis, more often but there have also been increases across all socioeconomic groups including younger people (16-24s) and those from lower socioeconomic backgrounds. The year to the end of 2023 saw 5.6m adults (16+) playing annually and over 2.6 million adults playing monthly. We are also seeing 3.6m children playing annually, 7% higher than in 2020.

Our LTA Youth and LTA Youth Schools programmes continue to engage thousands of children. Over 18,000 teachers have been trained across primary and secondary schools with thousands of £250 vouchers that can be spent on equipment or coaching also redeemed. The LTA Youth's Tennisables campaign launched in 2023 aiming to inspire and engage children aged 4-11 to play tennis and a new community programme, LTA Youth Go! was launched through key partnerships with Scouts, Guides and national leisure centre operators.

Annual participation has grown at the same rate among men and women in 2023, with a 19% increase. Our She Rallies ambition continues to lead the way towards tennis becoming a truly gender balanced sport with a focus on the areas where we can make the most difference – participation, workforce and the visibility of tennis. The high profile partnership we launched with Prime Video has helped to train coaches to deliver lessons and guidance specifically designed for girls. We have been increasing visibility for the sport in this country outside of the grass court season by hosting events such as the Billie Jean King Cup.

Our successful LTA SERVES programme, which helps young people who might not previously have had the opportunity to experience tennis, is getting record numbers of players on court each month and 2023 saw the SERVES Level up London project launched with a specific focus on enhancing female engagement. This project won the 'Enhancing Workforce Award' at the London Sports Awards.

Alongside this, the number of players playing monthly in the LTA's Open Court Programme, a national scheme that actively promotes and delivers opportunities for disabled people to get involved in tennis, has reached more than 16,000. Both of these programmes are supported by Sport England.

In 2020 the LTA became the National Governing Body for padel and since then there has been significant progress on the LTA's Padel Development Plan, with the LTA supporting venues and operators to roll out almost 350 courts across the country. Alongside this, we've seen the initiation of the LTA's padel performance programme, new padel competitions and an LTA Padel Tour. At the elite level of the sport there are British players currently competing on the World Padel Tour – including GB number ones Tia Norton (women's) and Christian Medina Murphy (men's). The GB Men's team also qualified for the World Championships in 2022.

On the international tours, our British players made strong progress across singles, doubles, and wheelchair events. There were 16 British singles players in the top 200 during 2023. There were also nine different British players in the ATP / WTA top 100 in 2023 (the most since 1978) and our players won nine unique Grand Slam titles during 2023.

There were world number 1 rankings for Neal Skupski in men's doubles and Alfie Hewett in men's wheelchair singles, whilst Joe Salisbury won the men's doubles titles, with Rajeev Ram, at both the US Open and ATP Finals. The 2023

Nottingham Open saw the first all British women's tour final since 1977, with Katie Boulter taking the title and joining Andy Murray who won the men's title at the same event. As an organisation we will, of course, celebrate Sir Andy's incredible career when the time comes.

There were further successes on the grass for British players at Surbiton, Nottingham, and the wheelchair events at Queens and the British Open. At The Championships, Wimbledon, we celebrated five British champions – Neal Skupski, Henry Searle, Alfie Hewett, Gordon Reid and Mark Ceban in the boys 14U event. There were also notable victories for other British junior players across the year in both junior and ITF WTT events.

In September, following on from our successful 2023 grass court season, we hosted the Davis Cup Finals in Manchester, supported by Manchester City Council and Manchester Active, which saw our British team progress to the final eight in Malaga. The tie against France was played in front of a record attendance for a Davis Cup match in this country. The event went on to be awarded Event of the Year at the MCR Active Manchester Sports Awards. In November we were also proud to host the Billie Jean King Cup play offs against Sweden in London, which again saw a victory for our British team.

As well as showcasing the strength of our top players, we used our major events to provide a shop window to promote major programmes of LTA work, hosting dozens of activations, have-a go sessions and a showcase for disability tennis at the cinch Championships. Customer satisfaction with our major events and The Championships, Wimbledon, ended 2023 at 91%.

It was also a remarkable year for Great Britain's disability tennis players, who won a highly impressive haul of team and individual titles in 2023, including six wheelchair Grand Slam titles and two World Team Cup titles. It was just the third time that Great Britain had won the men's World Team Cup.

GB's visually impaired squad secured 11 medals as tennis made its debut at the IBSA World Games and British players won six gold medals across the most prestigious sports events for athletes with an intellectual impairment.

Alongside this, our Wheelchair Tennis Initiative continues to attract people with physical impairments who have the athletic potential to be future Grand Slam and/or Paralympic Champions.

Our Performance Competition Calendar has continued to support this British player success. Both 2022 and 2023 saw over 40 weeks of competition and prize money earning opportunities on home soil with a year of continued success for British players.

Across the 29 ITF events staged domestically in 2023, 103 British players participated with British players making up 50% of main draw entries across the tournaments, and 18 of these tournaments featured a British player in the final.

To further support our elite players' performance, we've continued to invest in facilities at the National Tennis Centre in Roehampton and the Nottingham Tennis Centre.

Elsewhere, our major facility investment project with the LTA Tennis Foundation and UK Government to invest over £30million into transforming local authority park tennis facilities across Britain has seen significant progress. By the end of 2023 we had completed over 1,500 park tennis courts and are on track to reach around 3,000 by the end of the project. The aim is to get over half a million more people playing tennis in parks every year. Throughout, we have prioritised parks which will have the biggest impact on participation, but also those in areas of high social deprivation.

We've also been developing our Free Parks Tennis (FPT) product - free, weekly tennis sessions delivered by local volunteers or activators. These will help encourage even more people to take part in the sport by removing the main barriers to entry as participants have people to play with and equipment is provided. FPT sessions are already running in parks across England, Scotland and Wales and being administered by some 350 trained volunteer activators.

Outside of parks, wider facility investment remains a key priority. Since 2019, £8.9m has been awarded across 87 projects to help build or improve indoor tennis courts, padel courts, floodlights and outdoor courts. In Scotland, through our Transforming Scottish Indoor Tennis initiative, December saw the opening of the

£4.5 million Oriam indoor tennis centre at Heriot-Watt University, to be followed by a new indoor tennis centre at Moray. We also continue to work closely with the operators of the 54 Community Indoor Tennis Centres across Great Britain.

We know there are still underserved communities across the country where tennis is less well established. The LTA Tennis Foundation, which partners with brilliant people and organisations to improve lives through tennis, has in its first full year in 2023 awarded grants worth £2.3m to **over 40 organisations** with 500,000 people directly impacted by funding. It has also continued its support of established LTA delivered programmes – **LTA SERVES**, **LTA Youth Schools** and **LTA Open Court**.

Two years on from the publication of the LTA's three-year Inclusion Strategy, we have been delivering key actions against a range of plans and initiatives to drive participation and engagement with **women and girls**, **underserved communities** and **people with an impairment**. We will continue with this work in 2024. We will also host the second Tennis Black List event at the National Tennis Centre later this year to celebrate tennis role models from the black community, building on the success of the inaugural event which we hosted in 2023.

Innovation remains a driving force in all that we do. We have continued to invest in digital transformation with over 1000 venues now accessible on our digital booking system 'LTA Play' and the ongoing development of new coach's and official's dedicated websites based on user feedback. We have also engaged virtually with our volunteer communities including online Q&As with senior leaders. Our data shows both coach engagement and volunteer engagement are at their highest point.

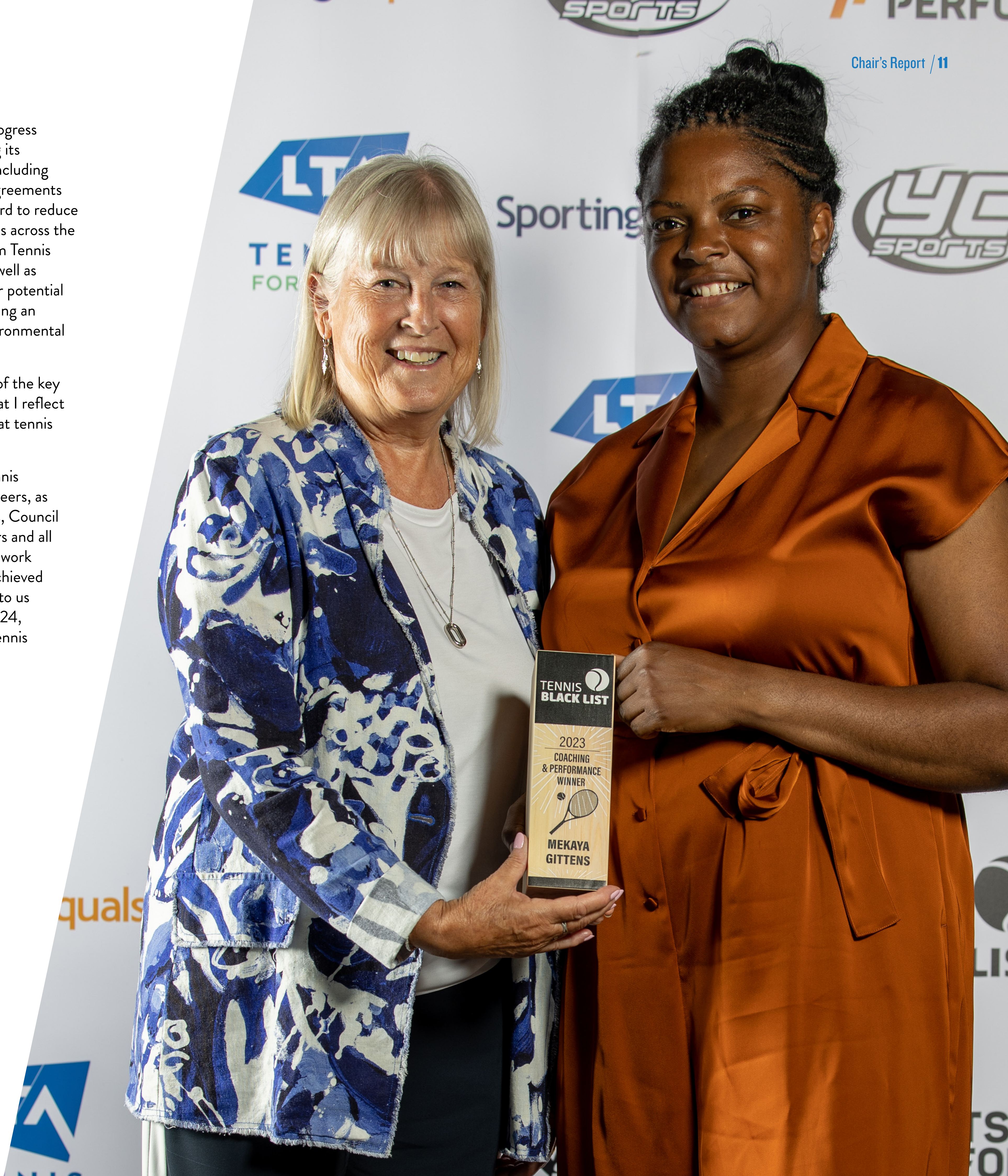
Finally, the LTA has made strong progress throughout the year since launching its Environmental Sustainability Plan including embedding sustainability into our agreements with key suppliers. We've worked hard to reduce waste through a number of initiatives across the National Tennis Centre, Nottingham Tennis Centre and at our major events, as well as engaging with tennis venues on their potential impact on sustainability, and launching an innovative partnership with the environmental charity Pledgeball.

These updates represent just some of the key highlights and it is with real pride that I reflect back on the last five years and all that tennis has achieved.

I would like to finish by thanking tennis venues, coaches, officials and volunteers, as well as my dedicated LTA colleagues, Council members, my fellow Board members and all the individuals and organisations we work with for everything that has been achieved by working together. I look forward to us all building on these successes in 2024, continuing to deliver our vision of Tennis Opened Up. Thank you.

E. Mervyn Davies

Lord Davies of Abersoch
Chair



KEY HIGHLIGHTS

ACHIEVEMENTS UNDER 2019-23 STRATEGY

4 MEDALS
AT THE
2020 PARALYMPICS GAMES

1.5M
PLAYERS AND FANS
ON OUR ADVANTAGE DATABASE, UP FROM
580,000 IN 2019

ADULT
ANNUAL TENNIS PARTICIPATION
UP 44%
FROM JANUARY 2019 TO DECEMBER 2023

5 NEW PLAYERS
IN
TOP 100

GROWTH
IN PARTICIPATION

MEN & WOMEN

MONTHLY AND ANNUAL PLAY*

ALL AGE GROUPS

*across the five LTA English regions, Scotland and Wales

ACHIEVEMENTS IN 2023

2023 ENDED WITH
5.6 MILLION
ADULTS PLAYING ANNUALLY
AND OVER
2.6 MILLION
ADULTS PLAYING MONTHLY

NINE
DIFFERENT BRITISH PLAYERS
IN THE ATP / WTA
TOP 100
IN 2023

NINE
UNIQUE
GRAND SLAM TITLES
IN 2023

SIX
WHEELCHAIR
GRAND SLAM TITLES
AND
TWO
WORLD TEAM CUP TITLES
FOR GB'S WHEELCHAIR TENNIS PLAYERS

3.6M
CHILDREN PLAYING ANNUALLY,
7% HIGHER THAN IN 2020

ACHIEVEMENTS IN 2023 (CONTINUED)

BRITISH PLAYERS WON
SIX
GOLD MEDALS
ACROSS
THE MOST PRESTIGIOUS SPORTS EVENTS
FOR ATHLETES WITH AN
INTELLECTUAL IMPAIRMENT

GB'S VISUALLY IMPAIRED SQUAD
SECURED
11 MEDALS
as tennis made its debut at
IBSA WORLD GAMES

OVER
1,500
PARK TENNIS COURTS
upgraded across Great Britain by December 2023

LTA SERVES

24,000+
PLAYING ONCE A MONTH IN
LTA SERVES
PROGRAMME,
RECORD NUMBERS OF
PLAYERS ON COURT

MORE THAN
15,000
PLAYERS PLAYING
ONCE PER MONTH IN THE LTA'S
OPEN COURT
PROGRAMME

LTA Open Court Disability Tennis

13,000
RECORD ATTENDANCE
FOR A DAVIS CUP TIE IN THIS COUNTRY
FOR GB VS FRANCE

DAVIS CUP

OVER
18,000
TEACHERS TRAINED
ACROSS PRIMARY AND
SECONDARY SCHOOLS
TO DELIVER LTA YOUTH

LTA YOUTH

A TOTAL OF
2.6M
COMMITTED FOR FACILITY
INVESTMENT IN 2023

SUPPORTED VENUES AND
OPERATORS TO ROLL OUT ALMOST
350
PADEL COURTS
ACROSS GB

LTA PADEL

TENNIS FOUNDATION
GRANTS WORTH
£2.3M
TO
OVER
40 ORGANISATIONS
IMPACTING
500,000
PEOPLE

LTA Tennis Foundation

STRATEGIC REPORT

FINANCIAL REVIEW

OVERVIEW

The Finance and Governance Report and financial statements are for Lawn Tennis Association Limited (the Company) and its subsidiaries (altogether the LTA or the Group) for the year ended 31 December 2023, and detail the financial investments made by the LTA in supporting the growth of tennis in Great Britain during the year.

The financial statements have been prepared under FRS 102 'the financial reporting standard applicable in the UK and Republic of Ireland'. The Company constitutes a 'public benefit entity' as defined by FRS 102, being an entity whose primary objective is to provide goods and services for the general public, community or social benefit and where any financial return is provided with a view to supporting the Company's primary objectives rather than providing a financial return to its members. As such, the Company has applied the reporting exemptions applicable to public benefit entities under FRS 102.

LTA Tennis Foundation (LTA TF) is a registered charity (charity number 1148421) and a wholly owned subsidiary within the LTA. LTA Operations Limited is the sole member of the charity and as such, LTA Tennis Foundation is included in the Group's financial statements. During the year the LTA did not make a donation to LTA TF (2022: £nil). The Tennis Foundation (Legacy) is a registered charity (charity number 298175) and a wholly owned subsidiary within the LTA. LTA Operations Limited is the sole member of the charity and as such, The Tennis Foundation (Legacy) is included in the Group's financial statements.

FINANCIAL RESULTS

For the year ended 31 December 2023, the Group's revenue was £108.5m (2022: £79.6m) and pre-exceptional operating expenditure was £114.5m (2022: £87.6m). An exceptional item of £0.7m gain (2022: £1.4m loss) has been recorded which represents a rebate received in relation to the fines imposed by ATP and WTA on the LTA for the approach to the participation of Russian and Belarusian players in the LTA tournaments in 2022. The operating loss before exceptional items for the year was £6.0m (2022: £8.0m) and the operating loss after exceptional items generated for the year was £5.3m (2022: £9.5m).

This operating loss has partly been driven by grants made by the LTA TF, for which the operating loss was £4.6m (2022: £2.0m). Existing reserves within the LTA TF are being deployed to support facility developments across clubs, local authority sites, and schools & communities, aligned to the LTA TF's mission of improving lives through tennis.

The Group generated interest income of £0.3m (2022: £0.9m) and income from its investment portfolio of £4.1m (2022: £6.8m loss). Investments were revalued to fair value at 31 December 2023 in accordance with FRS 102. A tax charge of £1.0m (2022: £0.9m) was incurred delivering a loss for the year of £2.2m (2022: £16.4m loss).

REVENUE

The LTA's revenue increased during the year to £108.5m (2022: £79.6m), an analysis of which is shown below:

	2023 £'000s	2022 £'000s	**Change £'000s**	**Change %**
Revenue from The Championships:				
- Surplus	**49,282**	43,019	6,263	15%
- Grass Court Support	**5,000**	5,000	-	0%
- Officiating	**1,791**	1,685	106	6%
Commercial	**9,161**	6,744	2,417	36%
Major Events	**18,901**	16,988	1,913	11%
Parks Tennis Project Grant	**16,726**	-	16,726	N/A
Sport England Revenue Grant	**2,600**	2,471	129	5%
Other Revenue	**4,990**	3,663	1,327	36%
Total LTA revenue	**108,451**	79,570	**28,881**	**36%**

Revenue from The Championships, Wimbledon

Included in the Revenue from The Championships is the gross surplus of £49.3m (2022: £43.0m) representing 90% (2022: 90%) of the distributable surplus; £5.0m (2022: £5.0m) in support of the summer grass court season; and £1.8m (2022: £1.7m) for the management and supply of umpires and other officials in conjunction with the Association of British Tennis Officials. The increase in the distributable surplus in 2023 was as a result of improved financial performance of the 2023 Championships.

Although there remain risks and uncertainties on the absolute level of The Championships surplus in any given year, the long-term contract between the AELTC, Lawn Tennis Association Limited and LTA Operations Limited in respect of The Championships runs through until 2053, with not less than 70% of the distributable surplus continuing to be paid to the Group in the 20 years thereafter following any termination of the contract.

Commercial revenues

The LTA's commercial activities produced £9.2m (2022: £6.7m) of revenue. Key contracts include a continuation of existing sponsors including cinch, Rothesay and BNP Paribas alongside new deals including Lexus. The LTA is currently in active negotiation in relation to further opportunities for both 2024 and beyond.

Major Events revenues

The revenue earned from the major events of £18.9m (2022: £17.0m) significantly increased driven by improved ticket and hospitality performance across the summer grass court tennis calendar, including the cinch Championships (at The Queen's Club), the Rothesay International (at Eastbourne's Devonshire Park), the Rothesay Classic (at Edgbaston Priory Club), the Rothesay Open (at Nottingham Tennis Centre), and the Lexus Trophy Series (at Surbiton Racquet & Fitness Club and Ilkley Lawn Tennis & Squash Club). Additional revenue was also generated from the Davis Cup Finals Group Stage in September (at AO Arena, Manchester) and two Billie Jean King Cup Home ties in April (at Coventry Building Society Arena) and November (at Copper Box Arena, London).

Parks Tennis Project Grant

The LTA has been working with local authorities across the country, supported by the Government and the LTA TF, to invest over £30m in the Parks Investment Programme. The revenue grants received from the Department for Digital, Culture, Media and Sport were £16.7m (2022: £nil), which have been invested in the renovation of park tennis courts across Great Britain, with the balance to be invested throughout 2024.

Sport England Revenue

Sport England revenue grants of £2.6m (2022: £2.5m) reflected the first full year of the current agreement which began in April 2022.

The LTA's stated ambition in its Inclusion Strategy is to ensure a culture of Everyday Inclusion across the whole of tennis and this is wholly aligned with Sport England's strategy to tackle stubborn inequalities in sport as set out in 'Uniting The Movement'. The increase in Sport England funding recognises this alignment and the LTA continues to work in close partnership with Sport England as progress is made towards these shared goals. The current agreement with Sport England is split into four funding streams:

- Governance – funding to help us improve the way we drive the highest standards of governance, including safeguarding, down through our sport to Member Associations and Registered Venues;
- Systemic – to help drive long-term change to make tennis more appealing to and better able to meet the needs of under-represented groups, including Women & Girls, for example through driving greater diversity in our workforce;
- Delivery – to continue to fund pre-existing programmes like Open Court and SERVES which are sector-leading in terms of directly enabling disabled people and people from under-served communities to take part in tennis; and
- Talent – to support the diversity and quality of our Performance Pathway, in particular making the very base of the Pathway as accessible as possible.

Under the Sports Governance Code the LTA is required to show the income from public investors and to clearly account for the expenditure of these funds. The analysis and use of Sport England funds received is shown below:

	2023 £'000s	2022 £'000s
Agreement ending March 2022		
Disability	-	145
SERVES programme	-	120
Women & Girls	-	92
Talent	-	164
Safeguarding	-	15
Agreement from April 2022		
Governance	**200**	186
Systemic	**1,000**	699
Delivery	**750**	611
Talent	**650**	439
Total spend	**2,600**	2,471

Other Revenue

Other revenue of £5.0m (2022: £3.7m) arises from a range of activities, including the LTA's Advantage scheme for fans, players and competitors; competitions; coaching courses; other grants; National Tennis Centre & Nottingham Tennis Centre income and programme funding. The increase on prior year is driven by a full year of income received from Nottingham Tennis Centre, following the LTA's purchase of the long leasehold interest in the site in May 2022, as well as a general increase across all these income streams.

OPERATING EXPENDITURE

The operating expenditure of the LTA for the year ended 31 December 2023 was £113.7m (2022: £89.0m). This increase was predominantly a result of the investments made in relation to the Parks Tennis Project (£18.5m), alongside additional investments in Participation (£6.1m).

A summary of the operating expenditure is shown in the table below:

	2023 £'000s	2022 £'000s	Change £'000s	Change %
Direct operating expenditure				
Participation	**25,339**	19,252	6,087	32%
Performance	**15,069**	14,681	388	3%
Commercial and Marketing	**6,901**	6,563	338	5%
Major Events	**36,398**	36,255	143	0%
Business Support	**5,646**	4,845	801	17%
Depreciation, amortisation and prepaid court time charge	**6,364**	5,737	627	11%
Capital Grants	**176**	271	(95)	(35%)
Parks Tennis Project	**18,539**	-	18,539	N/A
Exceptional Item	**(690)**	1,424	(2,114)	(148%)
Total operating expenditure	**113,742**	89,028	**24,714**	**28%**

The expenditure is presented in line with the LTA's defined operational functions: Participation, Performance, Commercial and Marketing, Major Events and Business Support. However, these activities are interlinked and support each other in delivering the LTA's mission.

Investment in Participation

Participation expenditure of £25.3m (2022: £19.3m) was on a wide range of initiatives across the LTA's strategic focus areas.

This includes investments made by the LTA TF in its first full year of operation, aligning with its mission to improve lives through tennis. £2.3m (2022: £nil) of grants were awarded as part of the LTA TF's Grant Making Programme, supporting those living in the highest areas of deprivation. These grants also support in developing career pathways into tennis for underrepresented groups of young people, creating safe and welcoming tennis sessions for isolated women and girls, and ensuring disabled people can access and play tennis.

2023 also represented the first year of enhanced funding into County & Island Associations, with an additional £1.2m per year to support their delivery of agreed core volunteering, competition, participation and performance activity. It also brings greater clarity on Associations' role and focus areas of delivery for coaches, venues and volunteers.

Other expenditure was made in relation to clubs, volunteers, parks, communities, education, disability, coaching, safeguarding and competitions. Examples of activity in this area included continued growth of the recreational and national competitions calendar to provide both formal and informal competition for adults and juniors, including Local Tennis Leagues, which facilitates local, recreational league matches between players. In addition, the LTA continued to invest in support of education venues in Great Britain, further rolling out LTA Youth in primary and secondary schools, alongside grants for further education and university establishments, as well as growing its SERVES programme supporting young people in underserved communities to get active. Expenditure also included a full year of operational spend at Nottingham Tennis Centre following the LTA's purchase of the long leasehold interest in the site in May 2022.

Investment in Performance

One of the LTA's strategic priorities is the continued establishment of a world-class high-performance programme, with investment focused on allocating resources to those players, coaches and venues that meet globally benchmarked player development standards. The LTA continued to invest significantly in its elite and developing players, investing £15.1m (2022: £14.7m) throughout 2023.

This has included a continued investment in the National Academies in Loughborough and Stirling alongside the network of 14 Regional Player Development Centres (RPDCs). The investment is primarily focused on the coaching team, designed to reduce the most expensive part of the RPDC programme for families.

The LTA has continued to support all players, across all formats of the game and the National Tennis Centre remains the base of choice for elite training, providing a world class, safe environment for Great Britain's players to train and prepare for elite competition, with continued LTA investment into analysis, player welfare and other sports science support.

Commercial and Marketing

Investment in commercial and marketing was £6.9m (2022: £6.6m) which included an LTA Youth campaign, "Tennisables", designed to engage and drive children's participation. There was an increased cost of delivery related to the increased level of commercial income.

Major Events

Across the Major Event calendar, the LTA invested £36.4m (2022: £36.3m), primarily on the successful staging of six grass court tournaments around the country in the lead up to The Championships.

In addition to the summer grass court season, the LTA invested in hosting two Billie Jean King Cup Home ties alongside the Davis Cup Finals Group Stage in Manchester; officiating at The Championships; 6 disability events and developing the investment in International ITF World Tennis Tour events as part of the LTA Performance Competitions Calendar.

Business Support

Business support costs of £5.6m (2022: £4.8m) reflect the costs incurred by the functions of HR, IT, Finance and Legal. The increase in spend reflects high inflationary increases.

Depreciation, amortisation and prepaid court time charge

Depreciation, amortisation and prepaid court time charge increased to £6.4m (2022: £5.7m), as a result of the full year impact of the acquisition of, and capital investment in, the leaseholding at Nottingham Tennis Centre in May 2022, alongside the continued investment in technology infrastructure as part of the ongoing digital transformation project.

Capital Grants and Loans

Financial support to improve facilities is one key way the LTA, primarily through support from LTA TF, helps venues thrive and attract new players. In 2023, excluding the Parks Tennis Project, the LTA TF funded £0.2m of capital grants (2022: £0.3m) and £1.6m of loans (2022: £2.1m) to improve facilities across Great Britain. A further £1.1m of loan funding was approved (but not yet paid) in 2023 (2022: £1.6m), and partnership funding from applicants in support of the approved projects amounted to £2.6m (2022: £3.9m).

The slight decrease in capital grant funding during 2023 is driven by materially higher levels of funding as part of the transformational Parks Delivery Investment Scheme that the LTA, through the LTA TF, is undertaking with the Government.

Parks Tennis Project

The LTA has been working with local authorities across the country, supported by the Government and the LTA TF, to invest over £30m in the Parks Investment Programme. The investment in 2023 was £18.5m (2022: £nil), and incorporates the renovation of park tennis courts across Great Britain alongside the supporting costs of delivering the project which are borne by the LTA TF.

Financial Position

The Group's financial position as set out in the statement of financial position remains strong, with total equity of £152.8m (2022: £155.0m) which includes the net assets of LTA TF of £33.8m (2022: £37.0m). The decrease in retained earnings is due to a loss for the year of £2.2m (2022: £16.4m loss), of which £3.2m is a loss in the LTA TF as a result of the LTA TF's investment into the parks project and other initiatives to improve lives through tennis. LTA reserves are managed in line with the reserves policy, balancing the need to retain funds to manage periods of uncertainty (e.g. Covid) or significant financial challenges, whilst being able to invest in key strategic initiatives to help deliver the LTA's vision of Tennis Opened Up.

Intangible fixed assets of £10.6m (2022: £10.7m) primarily consist of capitalised software costs which include the development of the digital transformation project underpinning the LTA's strategy.

Tangible fixed assets of £34.7m (2022: £34.3m) primarily comprise the investment in the National Tennis Centre and Nottingham Tennis Centre. Facility improvements at LTA tournament sites (including The Queen's Club site) that increase the future economic benefit of the tournaments are classified as tangible fixed assets.

£74.3m (2022: £62.9m) is held in the LTA's investment portfolio in shares, bonds and other assets by external investment managers and reflects the decision to hold reserves to cover long-term working capital requirements and a potential interruption in the LTA's annual income. Included in the portfolio is £33.4m (2022: £36.9m) of investments held by LTA Tennis Foundation and must be spent in line with the charitable objectives of the charity. As at 31 December 2023, external investments were revalued to fair value in accordance with FRS 102. Investments held increased by £11.4m in the year. This was primarily due to additional investment into government bonds (£13.2m) alongside gains in investments of £4.1m (unrealised gains of £2.0m and realised gains of £2.1m) in the year offset by £5.5m (2022: £3.5m) being drawn down from investments to invest in the LTA Tennis Foundation strategic priorities, including the parks project and grant making framework.

The overall trade and other receivables falling due within one year have increased to £39.9m (2022: £36.3m). The rise is primarily due to an increase of £3.0m in amounts owed by All England Lawn Tennis Club (AELTC) for The Championships to £28.8m (2022: £25.8m). Trade and other receivables falling due after more than one year have decreased slightly to £18.0m (2022: £18.7m).

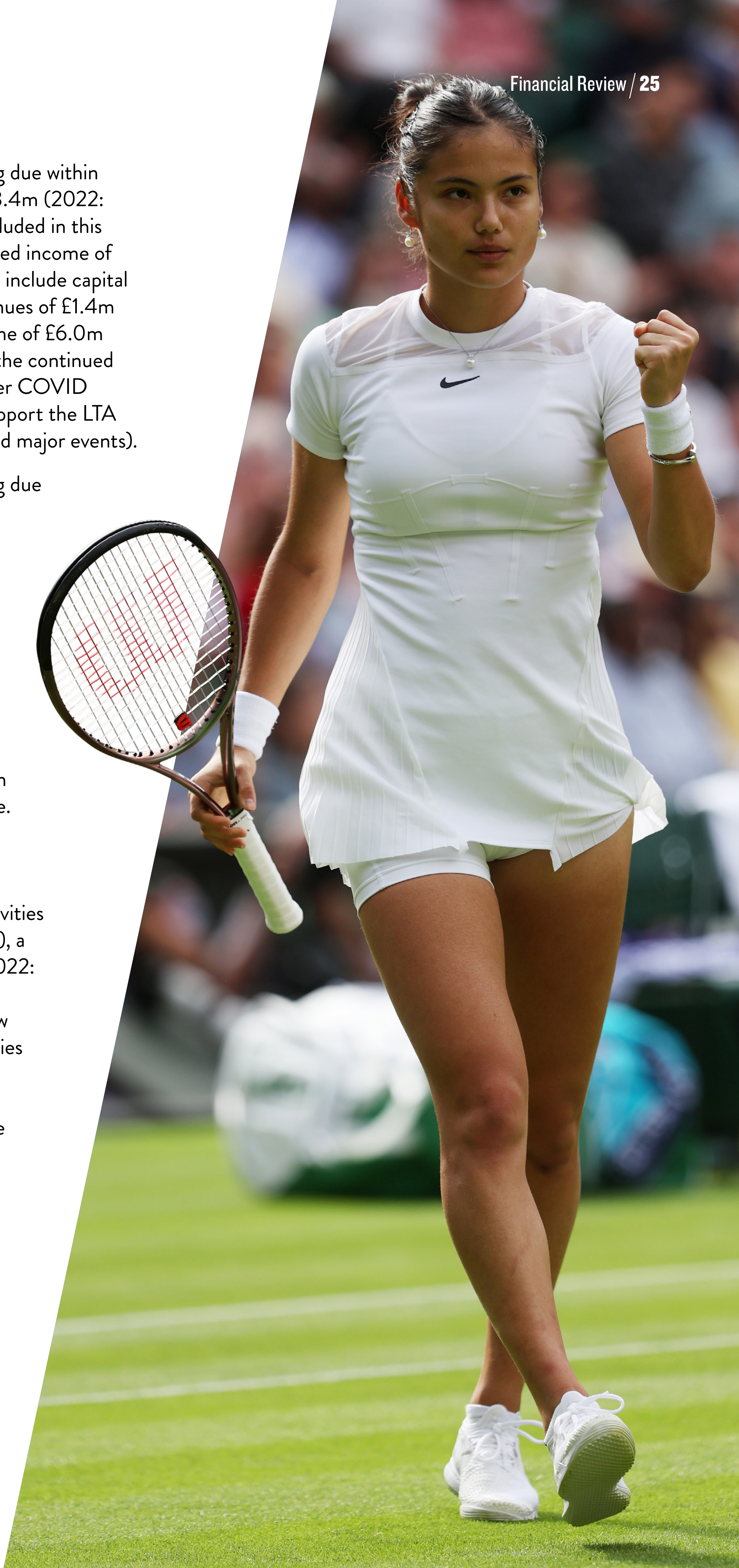
Concessionary loans are interest free loans to clubs, indoor facilities, parks and schools to improve tennis facilities that are typically repayable for periods up to 10 years. Tennis developments represent West Hants LTC development funding of £3.1m (2022: £2.7m) repayable in equal instalments until 2039. The net movement of concessionary loans falling due after one year was an increase of £0.1m to £7.8m (2022: £7.7m).

Trade and other payables falling due within one year have increased to £28.4m (2022: £21.1m). The main liabilities included in this balance are accruals and deferred income of £22.5m (2022: £16.9m) which include capital grant commitments to club venues of £1.4m (2022: £2.3m), deferred income of £6.0m (2022: £2.4m) and £1.9m for the continued repayment of the DCMS winter COVID support loan (issued to help support the LTA as a result of the LTA's cancelled major events).

Trade and other payables falling due after more than one year have decreased to £11.6m (2022: £13.4m) as £1.9m (including interest) of the DCMS winter COVID support loan of £14.3m received in 2021 will be repaid in 2024. Other provisions have decreased to £0.9m (2022: £1.0m) primarily due the part utilisation of the long-term incentive remuneration scheme.

Cash flows

During 2023 there was a net cash inflow from operating activities of £2.9m (2022: inflow £4.5m), a net cash outflow of £12.8m (2022: outflow £4.3m) from investing activities and a net cash outflow of £1.4m from financing activities (2022: £nil). This resulted in a net cash decrease of £11.3m (2022: increase £0.2m) for the year. This includes any changes in cash held by investment fund managers.



PRINCIPAL RISKS & UNCERTAINTIES, KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS

PRINCIPAL RISKS & UNCERTAINTIES

The LTA's risk management process is designed to improve the likelihood of delivering business objectives, protect the interests of key stakeholders, enhance the quality of decision making, and assist in the safeguarding of LTA assets, including people, finances, property and reputation.

The board of Lawn Tennis Association Limited (the Board) has oversight for risk management with a focus on the most significant risks facing the LTA, including strategic, operational, financial, reputational and legal and compliance risks. The Board determines the risk appetite of the organisation, reviews existing risks and identifies new risks on a half yearly basis. Suitable controls are implemented and action plans established to mitigate risks.

The Audit Committee oversees the identification and mitigation of risks for the LTA and discusses with management the LTA's risk assessment and risk management practices. When reviewing and approving the annual internal audit plan for the LTA, the committee prioritises areas to be audited based on current and residual risk and areas of significant revenue or expenditure. The Audit Committee also oversees the policies, processes and risks relating to the financial statements, the financial reporting process, compliance and auditing.

As in any sport or organisation which engages with children, young people and vulnerable adults, there is a risk of safeguarding issues arising. This is a risk the LTA takes extremely seriously, with the protection and wellbeing of those who are involved in tennis being a high priority. With the safeguarding strategy in place and team to deliver it, alongside the existing controls through the LTA Disciplinary Code and Judicial Panel, coupled with regular updates to the Board and Executive, the LTA believes it is taking the necessary steps to mitigate this risk.

A key business risk relates to the certainty of future revenue streams, notably from The Championships (Wimbledon), Sport England and commercial partners. The risk of non-receipt of revenue from The Championships is mitigated by a long-term contract in place until 2053 with not less than 70% of the surplus continuing to be paid to the LTA in the 20 years thereafter in the event of any termination of the contract. Given the large contribution that The Championships makes to its revenue, the LTA is still exposed to a potential loss of revenue in any single year due to cancellation or severe curtailment of The Championships. Steps to mitigate or protect against this risk have been put in place for future years particularly with respect to the roofs over Centre Court and No.1 Court providing protection against weather losses and insurance covering major curtailment or abandonment risks where possible. However, there are isolated risks which are not insurable or capable of mitigation in relation to The Championships (Wimbledon) and also within the major events organised by the LTA that could have a material impact on revenue streams. Following the impact of COVID-19 on revenue and operating costs, the LTA continues to maintain adequate cash balances and reserves supported by a £10m overdraft facility, while also benefitting from the COVID support loan from DCMS, which is now being repaid.

Though the LTA faces an element of credit risk in its on-going business relationships with major commercial partners, risks are managed as part of on-going due diligence and credit management albeit they cannot be completely mitigated.

The LTA holds investments in shares, hedge funds, fixed income products and corporate and government bonds as part of its overall investment strategy. The LTA has appointed independent specialist investment managers who manage the portfolio on the LTA's behalf in accordance with the agreed low risk profile. However, it is recognised that any investment portfolio is subject to market fluctuations and external factors. The Investment Advisory Group oversees the implementation of the investment policy and reports to the Audit Committee on this area. The LTA does not use financial instruments for speculative purposes.

In addition to the measures described above, the LTA has an element of natural risk mitigation in that a large element of its expenditure in the sport is discretionary in each financial year and can be reduced (as shown in 2020 during the COVID-19 pandemic) without breaching legal commitments.

The risk of non-delivery of the LTA strategy and mission is mitigated through the LTA's commitment to working alongside all the people and organisations that share the LTA's vision including volunteers, coaches, officials, players, local authorities and clubs. The LTA has a long-term strategic plan and resources are allocated appropriately to deliver its mission.

As permitted by the Articles of Association, the Directors 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 last financial year and is currently in force. The LTA also purchases directors' and officers' liability insurance in respect of itself and its directors.

KEY PERFORMANCE INDICATORS

Business objectives and participation

Over the past five years the LTA has been working to implement a strategic plan with its vision of Tennis Opened Up.

The LTA sets business objectives to measure its performance in key areas under the seven strategic pillars identified in the 2019-23 strategic plan, which concluded at the end of December 2023. Alongside these yearly objectives, there were six headline objectives for the overall five-year plan relating to fans' participation, elite player performance and inclusion.

2023 has been another positive year with the conclusion of the five-year plan seeing all six of these business objectives met.

Participation

Despite significant cost of living pressures, and the effects of the pandemic, participation rose significantly during the five-year cycle, demonstrating the grassroots of the sport is in good health.

Adult annual tennis participation has grown rapidly - up 44% from January 2019 to December 2023. Over this period, there was growth in participation across both men and women, all age groups, and in monthly and annual play across the five LTA English regions, Scotland and Wales. Not only are more people playing tennis more often, but there have also been increases across all socio economic groups including younger people (16-24s) and those from lower socio economic backgrounds. Figures show that the year ended with over 5.6 million adults (16+) playing annually, against a target of 4,420,460, and over 2.6 million adults playing monthly, against a target of 1,500,000.

At the end of 2023 the LTA saw a historic high of 734,000 children playing tennis weekly, 16% ahead of the end of 2022, exceeding the business target of 700,000. Tennis is one of the few sports to have increased children's participation numbers compared to 2018/19.

LTA Youth Schools (LTAYS) is a key programme for the LTA in engaging children and helping make the sport more accessible. The LTAYS target of 15,000 teachers trained across primary and secondary schools has been exceeded in 2023 with 18,673 trained as of December 2023. The LTA's Impact Survey showed for every primary or secondary teacher trained, an average of 157 children play tennis in a primary school and 397 in secondary schools. In addition, 12,984 schools have registered on LTAYS and the LTA Tennis Foundation has activated over 7,000 schools vouchers for teaching or equipment use to support them in their delivery of tennis.

Inclusion

Two years on since the publication of the LTA's three-year Inclusion Strategy, ambitious targets contained in the strategy have been achieved. 2023 saw the LTA deliver key actions within its three published plans to drive participation and engagement with women and girls (**She Rallies**), underserved communities (**Breaking Down Barriers**) and people with an impairment (**Open for All**). Work will continue during 2024 to deliver further on the actions in these plans.

LTA SERVES helps young people who might not previously have been given access to tennis to get active and has been very successful in reaching underserved communities. In 2023 a total of 24,978 players were recorded as playing once per month, well above the target of 16,500. This was the highest point ever for the programme, having grown from around 3,000 monthly players in 2019. Alongside this, the number of players playing once per month in the LTA's Open Court Programme in 2023, a national scheme that actively promotes and delivers opportunities for disabled people to get involved in tennis, reached 15,863, against a target of 15,000.

Performance Tennis

The LTA has continued to invest in performance tennis. Its domestic and international performance competition calendar, developed in 2022, has supported British players with domestic playing opportunities at the appropriate level. In both 2022 and 2023 this led to 40 weeks of international ranking point and prize money earning opportunities for players on home soil with continued success for British players.

On the international tours, British elite players made strong progress across singles, doubles, and wheelchair events. There were nine different British Players in the ATP/WTA top 100 in 2023 against a target of eight. British players achieved world number 1 in Men's Doubles (Neal Skupski) and Men's Wheelchair Singles (Alfie Hewett). Great Britain won both the Men's and Junior World Team Cup wheelchair tennis events and reached the Quarter-Finals of the Davis Cup.

Park tennis and Padel

The LTA's major programme with the LTA Tennis Foundation and UK Government to invest over £30million into transforming local authority park tennis facilities across Britain has seen significant progress. By the end of 2023, the LTA had completed the refurbishment of over 1,500 park tennis courts and is on track to reach around 3,000 by the end of the project to ensure accessible and affordable opportunities for local communities and get more people participating in the sport. In 2023, 414 parks renovation projects have been completed against a target of 400. Park tennis courts are often the first place where people pick up a racket, particularly those from underserved communities.

Alongside this, the popularity and profile of padel has also increased significantly, providing a gateway into tennis and helping provide clubs and venues with a new source of revenue. The LTA has supported venues and operators to roll out almost 350 courts across the country, against a target of 320 by the end of the year.

LTA Tennis Foundation

The LTA Tennis Foundation officially launched in June 2022 and partners with brilliant people and organisations to improve lives through tennis. It has a particular focus on the grassroots of the game and underserved communities. In the LTA Tennis Foundation's first full year in 2023 it has awarded grants worth £2.3m to over 40 organisations with 500,000 people directly impacted by funding.

Other areas of activity

Customer engagement with tennis fans and members continues to be a key priority for the LTA. The number of Advantage members has risen to 1.5m against a target of 1m across the five years, almost tripling since 2018. Social media is one of the main channels for engaging fans and driving greater participation and in 2023 the LTA saw a growth in followers across its social channels and in the number of social interactions.

Elsewhere, the LTA has continued a significant transformation of coach education and development. Engagement with coaches and volunteers is at its highest point for five years including the ongoing development of new coach's and official's portals.

Amongst other activity the LTA has hit its target for County & Island Associations to be compliant with requirements in the governance framework and met targets in the Establishment Phase of the LTA's Environmental Sustainability Plan.

FUTURE DEVELOPMENTS

The LTA is continuing to drive its vision of Tennis Opened Up recognising the successes of the last five years and looking to build on this even further.

Over the next three-year strategic cycle, the LTA will further develop its work, focusing on the areas that are making the biggest differences. It will look to increase the visibility of the sport even more, further grow and diversify its audience of fans, players, and workforce.

A strong domestic calendar of tennis events will continue across the summer and other key points of the year, cultivating and celebrating British talent. The LTA will look to increase the appeal of its major events through a thriving grass court season and new professional tennis and padel events as well as engaging and innovating different formats of the sport and ways to play.

The Performance Competitions Calendar will be evolved further to continue to support player development. The 2024 calendar will largely reflect the 2023 calendar with the addition of two ATP Challenger events in February – the Lexus Nottingham Challenger (Challenger 75) and the Lexus Glasgow Challenger (Challenger 50), with two ITF W50 events running at the same time. There will also be an uplift in the number of junior international tournaments hosted in Britain, in both the ITF and Tennis Europe circuits. The Lexus Junior National Championships (16U and 18U) will return once again to the National Tennis Centre in early April, with wild cards available for Wimbledon qualifying and the Wimbledon Junior Championships.

The coming year will be another crucial year for the parks programme with the LTA on course to complete the project by the end of summer 2024, aiming to get over 500,000 more people playing tennis in parks every year. The LTA is also further developing its Free Parks Tennis offer - free, weekly tennis sessions delivered by local volunteers or activators.

Wider facility investment outside of parks will also progress over the next 12 months with a number of key projects across Great Britain. This includes continued investment in Scotland with a new indoor tennis centre at Moray, following on from the opening of the Oriam Indoor Tennis Centre in December, alongside a focus on covered courts and continued support for padel. The LTA will continue to invest in the National Tennis Centre in Roehampton and Nottingham Tennis Centre to ensure they provide the best possible facilities for its top players.

Over the next three years the LTA will look to maximise the impact of the LTA Tennis Foundation including diversifying funding in the sport by growing its income. The LTA Tennis Foundation will continue with its investment in transforming park courts, increasing the numbers of people playing in parks and working to grow an army of volunteers to deliver Free Parks Tennis across Britain.

The LTA's focus on digital transformation has already seen over a thousand venues accessible on its digital booking system 'LTA Play' and it will look to increase nationwide adoption even further over the next three years as well as championing other digital innovations.

Elsewhere, there will be a continued focus on delivering the LTA's Environmental Sustainability Plan, working with everyone involved in the sport to secure a lasting future for tennis in Britain. In 2024 the LTA will be looking at decarbonising its energy use, ramping up engagement with key suppliers to reduce emissions and waste, and further engagement with, and support for, the tennis community.

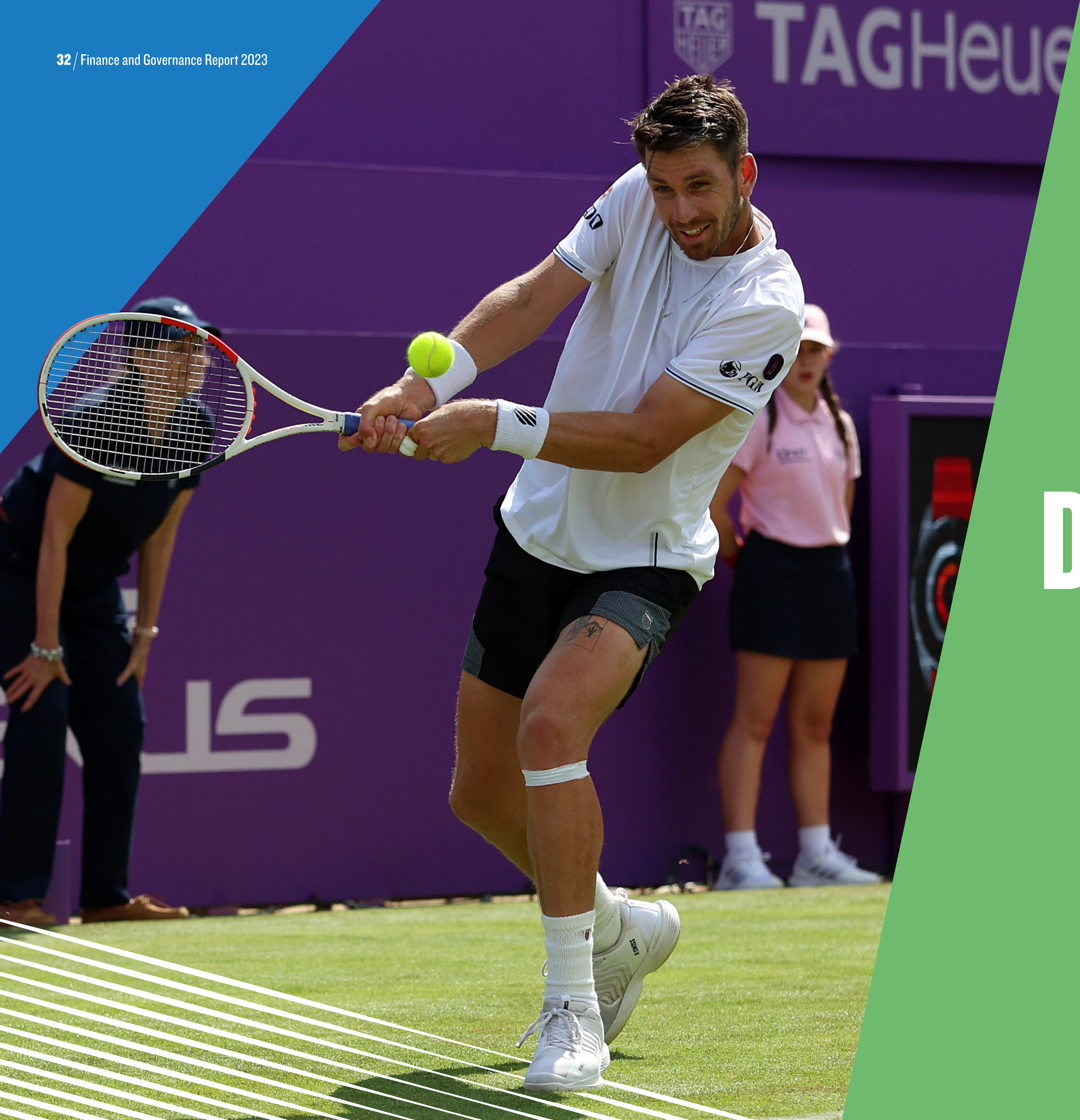
SECTION 172 STATEMENT

The Board believes that, individually and together, it has acted in the way it considers, in good faith, would be most likely to promote the success of the LTA for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a–f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2023. The Board has demonstrated throughout this report how it engages with stakeholders and has regard to the interests of the LTA's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment, and the LTA's good reputation for business conduct. The Board engages in formal and informal consultation with a range of stakeholders, both inside and outside the sport, to understand the impact of decisions on those groups. This includes consultation with the council of the Company (the Council), both within formal Council meetings and through Development Tennis Advisory Group workstreams.

Board effectiveness reviews are completed at regular intervals which help to ensure it continues to deliver long-term success for the LTA and is operating and engaging with stakeholders in the best possible way. Further information can be found on Board engagement with stakeholders during the year throughout the Strategic Report and Directors' Report.

The Strategic Report on pages 17 to 31 was approved and authorised for issue by the Board on 23 April 2024 and is signed on its behalf by:

Scott Lloyd
Chief Executive Officer
23 April 2024



DIRECTORS' REPORT

DIRECTORS' REPORT

INTRODUCTION

The Directors present their report, the Strategic Report and the audited Group financial statements for Lawn Tennis Association Limited and its subsidiaries (altogether the LTA or the Group) for the year ended 31 December 2023.

GOING CONCERN

The financial statements have been prepared on a going concern basis. In adopting the going concern basis for preparing the financial statements, the Directors have considered the LTA's business activities including the principal risks and uncertainties, together with the Group's short, medium and long-term cash flow forecasts.

Based on the Group's cash flow projections which incorporate reasonable sensitivities and contingencies for a period of at least 12 months from the date of approval of these financial statements, the Board has concluded that the LTA has sufficient financial resources to meet its liabilities as they fall due for the foreseeable future. For this reason, the LTA continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies in Note 1b) to the financial statements.

EQUITY, DIVERSITY AND INCLUSION

In 2023, the LTA continued to make progress in delivering on its Equity, Diversity and Inclusion (EDI) objectives, as outlined in its three-year Inclusion Strategy. The successful completion of 39 out of 46 actions outlined in the Strategy (in line with its 85% business target by 2023, with the remainder targeted for completion in 2024) demonstrates the organisation's determination to continue to drive a culture of everyday inclusion both within the business and across the tennis landscape. The LTA's commitment to enabling the tennis landscape to hold the business to account against the impact which these actions drive is evident in the publication of updated data metrics against key audience groups. It is significant that 14 out of 44 measures (33%) have shown improvement over the past year.

Alongside this, the numbers participating in the LTA's two key EDI programmes, SERVES and Open Court, both reached record levels, reflecting a commitment to diversifying and creating safe and inclusive spaces in the sport. SERVES, as part of the wider Breaking Down Barriers Plan targeting under-served communities, grew to over 640 venues delivering, including in community centres, faith venues and youth clubs in some of the most deprived areas of the country, with nearly 25k young people taking part. As well as this, we have seen a faster rate of growth in participation more generally across the year in those from lower socio-economic backgrounds than we have for those from more affluent backgrounds. Open Court, as part of the wider Open for All Plan targeting disabled people, grew to over 600 venues delivering, across a wide range of impairment types, with nearly 16k people taking part – with 23% of our regular monthly players more broadly having a disability or long-term health condition, reflecting the proportion of disabled people in the communities around us.

Important progress has been made by County and Island Associations to achieve full compliance with the new County Governance Framework, which has inclusion as one of its core pillars. This framework includes a crucial requirement for the implementation of effective County EDI Plans, with further work to drive this progress down to a tennis venue level already under way.

The LTA collaborated with partners from across tennis and beyond, including the Prime Minister's Office, during the Championships to host a round-table discussion on how to improve the representation of people from more diverse ethnic backgrounds in tennis, as part of our continued commitment to listening more and listening better to under-represented communities. During the year, there were also many examples of further work to make tennis more inclusive, such as the inaugural Tennis Black List awards, continuing to build on the successful Friday Pride Day initiative to create safe spaces for LGBTQ+ communities at tennis events, and the launch of the 'Tennisables' campaign for children and young people. In addition, the LTA has been working with local authorities across the country, supported by the Government and the LTA Tennis Foundation, to invest over £30m in the Parks Investment programme, with parks being where we know our most diverse participant base plays.

SAFEGUARDING

The safety and wellbeing of those playing tennis is of paramount importance to the LTA. In 2023 the LTA continued the process of carrying out safeguarding support visits at venues to increase awareness and ensure best practice is embedded and have now visited over 2000 venues across England, Scotland and Wales.

County association visits continued and all had received a support visit by the end of 2023 along with all performance accredited venues. The LTA piloted a Young Person's Welfare Ambassador scheme which saw young people trained and supported to raise safeguarding awareness in their tennis venues. Due to the success of the pilot we will be seeking to expand the scheme across 2024.

In October 2023 the LTA ran a safeguarding awareness week to coincide with the NSPCC's Keep your child safe in sport week. Almost 300 attendees joined sessions focused on practical support for volunteers, coaches and officials. As a result of the continuing focus on this area the LTA once again achieved the highest possible rating from the NSPCC in its 2023 inspection.

EMPLOYEE CONSULTATION

The LTA places significant value on the involvement of its employees and keeps them informed on matters affecting the performance of the LTA. This is achieved through formal and informal meetings, employee engagement surveys, employee consultation forums, weekly bulletins and staff surveys. Monthly All Colleague meetings are held which afford everyone the opportunity to share information, hear about the organisation's plans and progress, and to ask questions.

EQUITY

The LTA Group is committed to making tennis 'welcoming, enjoyable and inspiring. The LTA Group's policy is to treat everyone fairly and work with individuals to enable them to participate in tennis. All applications for employment are considered based only on merit. However, the LTA also actively takes steps to promote equity for people from all backgrounds across all aspects of our employee life cycle and to ensure that we do not discriminate in any way in relation to the protected characteristics of age, sex, race (including colour, nationality, ethnic or national origin), sexual orientation, gender reassignment, pregnancy and maternity, marital status, religion or belief, and ability or disability.

SUSTAINABILITY

Good progress has been made since the LTA published its first ever Environmental Sustainability Plan (**www.lta.org.uk/49b7ca/siteassets/about-lta/file/lta-environmental-sustainability-plan.pdf**) in June 2022. The plan sets out the ambition to secure a lasting future for tennis in Great Britain, through positive action on climate change and leadership in sustainability.

We know that the climate crisis and changes to the environment present global challenges but will have an impact on tennis in Great Britain at all levels. Whether it be the impact of more extreme temperatures on grass court tennis at our major events, or rising sea levels and severe weather meaning a higher proportion of tennis venues at risk of regular flooding, it is critical that the LTA plays its part in tackling these issues, to ensure that tennis is here to enjoy for future generations.

The LTA has taken a number of steps to reduce its own direct impacts from day-to-day operations, including related to energy usage. At the National Tennis Centre, upgrading of office lighting to more efficient units has begun, and upgrades to mechanical plant equipment and control management have helped deliver a substantial reduction in gas consumption. At Nottingham Tennis Centre, solar panels provide a proportion of the building's annual electricity usage, whilst a range of other efficiency measures are in place, including upgrades to lighting.

More widely, a range of sustainability initiatives were in place across the LTA's major events in 2023. These particularly focused on reducing glass and single use plastic waste, including through an expansion of the reusable cup scheme, the introduction of reusable glass bottles in hospitality areas, and utilisation of branding materials from previous years to manufacture media bibs and water bottle holders. Catering provision ensured local and sustainable sourcing and low-carbon options, whilst all temporary power generators utilised HVO fuel, helping to reduce emissions.

The LTA is also focused on supporting tennis in Britain to be more sustainable. This includes through the LTA's facility investment programme, where the LTA now funds tennis venues to convert older floodlighting to more efficiency LED bulbs, alongside a range of guidance and resources for venues. An innovative partnership with Pledgeball also provided a mechanism to engage tennis venues, and those who play at them, in 2023. Through the league, tennis players at LTA registered venues submit pledges on behalf of their venue via the Pledgeball website. Pledges comprise simple, every day actions which individuals can take, and will have a positive impact in supporting the environment and reducing carbon emissions, with a leaderboard among venues adding a competitive element.

The LTA is a signatory to the United Nations' Sports for Climate Action Framework. As a signatory, in addition to statutory SECR requirements, the LTA is also committed to achieving specific climate action targets, as well as annual reporting of scope 1, 2 and 3 emissions to the UN.

Progress on the LTA's Environmental Sustainability Plan is reported biennially in detail, including more significant reporting on carbon emissions across the entirety of the LTA's operations.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Large organisations are required to report publicly on energy use and carbon emissions. Set out below is the LTA's assessment for 2023, which incorporates energy used at the National Tennis Centre, Nottingham Tennis Centre, and also on business travel.

In order to align more closely with the LTA's wider carbon reporting, a more complete view of business travel has been included for 2023. This means that alongside mileage claimed by employees, all rail and air travel booked through the LTA's travel provider is also included.

This has then been converted into greenhouse gas emissions. From this assessment, a ratio of 4.0 tonnes of CO_2e emissions per average employee in the Group has been calculated.

Whilst this appears a significant increase on 2022, this is due to an updated methodology which incorporates all business travel via air and rail booked via the LTA's travel provider, utilising more accurate data than has previously been available. Using this methodology for 2022, the equivalent ratio would have been 4.8 tonnes of CO_2e emissions per average employee, a reduction of 17%, year on year.

In 2024, the LTA will be taking further steps to improve the accuracy of reporting of its scope 3 emissions, including working more closely with key suppliers to understand emissions related to the delivery of goods and services.

Intensity ratio (CO_2e per full-time equivalent)

The National Tennis Centre (NTC) and Nottingham Tennis Centre provide significantly more than just office space for LTA employees. Nottingham Tennis Centre is one of the largest indoor tennis centres in Great Britain, whilst the NTC provides accommodation and world class facilities, sports science and training services for elite British players. Both facilities host coach education, regularly stage competitions, and operate community programmes.

The LTA's electricity supplier continues to provide REGO backed electricity to the National Tennis Centre and Nottingham Tennis Centre.

On-site solar panels partly supply Nottingham Tennis Centre's energy. In 2023, these generated 83,723 kWh of zero emissions electricity which was consumed on site, which constituted around 25% of electricity consumption at the centre over the year.

Methodology

The electricity and gas quantities used during 2023 were taken from in-house readings and supporting supplier invoices for use and upkeep of the National Tennis Centre and Nottingham Tennis Centre.

The conversion of kWh of electricity, cubic meters of gas and litres of fuel to CO_2e was based on gross calorific values. Conversion factors for this and the table below were obtained from BEIS' greenhouse gas conversion factors for company reporting, published in 2022 (Conversion_factor_introductory_guide.pdf (windows.net)) and the UK Government GHG Conversion Factors for Company Reporting (ghgconversion-factors-2022-condensed-set.xls (live.com)).

Group figures are derived by splitting total usage by the average headcount of the LTA. The transport CO_2e is based on the mileage claimed by employees on business expenditure and converted to CO_2e using the 'average diesel car' and 'average petrol car' conversion factors from the above websites.

Transport also incorporates emissions from business travel by rail and air, booked through the LTA's travel partner.

Group 2023				Group 2022 - published			
Activity	**Units**	**Total Usage**	**CO_2e (kg)**	Activity	Units	Total Usage	CO_2e (kg)
Electricity	kWh	1,330,090	275,427	Electricity	kWh	1,403,419	271,393
Solar	kWh	83,723	-	Solar	kWh	74,655	-
Gas	m3	136,513	276,722	Gas	m3	346,400	328,639
Transport	miles	2,960,502	958,098	Transport	miles	2,363,384	478,238
Total			**1,510,247**	**Total**			1,078,270

CORPORATE GOVERNANCE

Structural information

A full substantive review and updating of the Company's governing documentation was undertaken between December 2020 and February 2022. There are no longer any LTA Standing Orders. Minor updates have been made to the governing documentation (articles of association and LTA Rules) at various times since then. The most up-to-date versions of the Company's governing documentation may be found at **www.lta.org.uk/about-us/what-we-do/governance-and-structure/rules-regulations**.

There are three Board Standing Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. In addition, there is a Development Tennis Advisory Group (DTAG), which replaced the Tennis Development Committee (TDC). The terms of reference for each of them are contained in schedules to the LTA Rules. There are other advisory groups with relevant terms of reference, including the Performance Advisory Group (PAG) and the Inclusion and Diversity Advisory Group (IDAG).

Through the new articles of association, compliance with the new County and Island Association Governance Framework became mandatory for all county associations and island associations, with a transition period to achieve full compliance. In addition, from a sports regulation perspective, the Company has in place the LTA Disciplinary Code, LTA Code of Conduct, LTA Coach Accreditation Regulations, LTA Official Licensing Regulations and, from 1 October 2023, LTA Venue Registration Regulations.

The registered office of Lawn Tennis Association Limited is The National Tennis Centre, 100 Priory Lane, Roehampton, London, SW15 5JQ.

The Board (namely the board of Lawn Tennis Association Limited)

The composition, role and powers of the Board are set out in the Company's governing documentation and decision-making on a number of matters is reserved to the Board. These matters are set out in the Company's articles of association and include (amongst others):

- determining the vision, mission, values and strategy of the Company
- approving and adopting appropriate and proportionate policies and procedures
- monitoring performance and risks, and determining the risk appetite
- approving the appointment of and supporting the Chief Executive Officer
- ensuring accountability and effective governance
- considering applications for membership of the Company

As at 31 December 2023, the Board comprised thirteen directors (2022: thirteen), including an independent chair, five (2022: five) independent non-executive directors, five (2021: five) other non-executive directors (being the President, the Deputy President, two Council-Nominated Board Members and the DTAG Chair), and two (2022: two) executives in an ex officio capacity, namely the Chief Executive Officer and the Finance Director. The Company has (subject to certain conditions) permission from Sport England to have 13 rather than 12 directors until 30 September 2024, in order to support the Company with regard to the diversity of the Board. The Board considers its composition appropriate in view of the size and requirements of the Company's business. This is kept under review. There is a clear division of responsibility between the Chair, the President and the Chief Executive Officer. The two executive Board members each have a role description and limits of authority. The Board meets regularly and, in 2023, it met nine times (2022: nine).

The directors of the Company as at the date of signing this report were as follows:

Lord Davies of Abersoch

Mervyn Davies, Lord Davies of Abersoch CBE, is the Chairman of the Lawn Tennis Association. He is also the Chairman of LetterOne and Chairman of Glyndebourne Productions Ltd. He sits on the World Rugby Executive and is a senior advisor to Teneo.

Lord Davies is a British former banker and was previously a Labour government minister. Prior to Government, he was a Director, Chief Executive and Chairman of Standard Chartered PLC for 12 years. He remains a UK government Trade Envoy for Sri Lanka.

Lord Davies was awarded a CBE for his services to the financial sector and the community in Hong Kong in June 2002 where he served as a member of the HK Exchange fund for seven years. Lord Davies is a JP in Hong Kong and he is an Honorary Distinguished Professor at Cardiff Business School.

Lord Davies is married with two children and is a fluent Welsh speaker.

Brigid (Bridie) Amos

Bridie joined the Board on 1 January 2024 as a Council-elected Non-Executive Director. She has been the Council representative for Hertfordshire since 2021 and is a member of the LTA's Development Tennis Advisory Group.

Bridie has been volunteering with Hertfordshire LTA since 2015 and is currently on the Management Committee, leading on initiatives to grow schools' tennis and to increase female participation in playing and coaching. A former management consultant and marketing executive she now works as a level 3 LTA accredited coach. Bridie has played county tennis since junior days and has recently represented GB in ITF seniors' tennis events.

Rachel Baillache

Rachel joined the Board on 26 September 2018 as an Independent Non-Executive Director. She is chair of the Audit Committee, a member of the Board Nominations Committee and the Board Inclusion & Diversity Champion providing oversight on the implementation of the LTA's Inclusion and Diversity Strategy.

Rachel was a partner at KPMG where she served as a member of the firm's global management team for eight years as the global Head of People, Performance and Culture. She was also the executive responsible for global internal and external communications. Rachel is an independent non-executive director of UK Sport, the Chair of Minds@Work and is an avid tennis supporter.

Sara Bennison

Sara joined the Board in June 2018 as an Independent Non-Executive Director. She is also Chair of the Remuneration Committee and sits on The Championships' Committee of Management.

Sara is a multi-award-winning marketer and experienced Board Director who has worked across a number of industries. She's a keen tennis fan and padel player who joined the Board to help 'open up' the game.

Sanjay Bhandari

Sanjay joined the Board on 1 August 2021 as an Independent Non-Executive Director. He is a member of the Audit Committee and of the LTA's Inclusion and Diversity Advisory Group.

Sanjay has a portfolio career as a board member, business adviser and charity trustee. Sanjay is chair of Satellite Applications Catapult which seeks to catalyse innovation in the UK space industry and advises a number of businesses on innovation and growth strategies embracing disruptive technology.

Sanjay is experienced in driving cultural change through equality, diversity and inclusion strategies and also has a passion for sport and activity. He is chair of Kick It Out (English football's equality and inclusion charity) and is a non-executive adviser at the law firm Travers Smith.

Prior to his portfolio career, Sanjay had a 30-year career in professional services as a lawyer specialising in international fraud and then as a consultant moving from legal and compliance technology into broader innovation roles. Sanjay was a Partner at EY for 12 years.

Sanjay was appointed MBE by His Majesty The King in the New Years Honour List 2024 for services to sport.

Roy Colabawalla

Roy joined the Board on 1 January 2023 as a Non-Executive Director by virtue of his appointment as Deputy President.

He has volunteered in tennis for over 20 years in a number of roles ranging from: multiple club positions, assisting in the Cliff Richard Tennis Foundation, being involved in the Birmingham Classic WTA Tournament, multiple county committee roles and volunteering on the LTA Council.

Roy is a corporate partner in a regional law firm who specialises in a broad range of corporate work including mergers and acquisitions, corporate finance, private equity, joint ventures, group reorganisations and commercial transactions in mergers and acquisitions.

Richard Cutler

Richard joined the Board on 1 January 2023 as a Council-elected Non-Executive Director and is a member of the LTA's Development Tennis Advisory Group.

He has been an active volunteer for Hampshire & Isle of Wight LTA since 2006, currently fulfilling the role of president. He's also previously acted as its chair, vice chair and a management committee member.

Additionally, Richard works within tennis, as the Managing Director of the Totton & Eling Tennis Centre - an eight-floodlit-court community facility, which was custom-built in 2004. He is a Level 3 LTA accredited coach, specialising in getting the most out of recreational youth players.

Richard also fulfils the role of Honorary Consul to the Federal Republic of Germany, representing around 12,000 German citizens in the district of Hampshire, Isle of Wight, Wiltshire and Dorset. He is a fluent German speaker.

Anil Jhingan

Anil joined the Board on 1 August 2021 as an Independent Non-Executive Director and a member of the Remuneration Committee.

He has more than two decades of media, entertainment and sports experience and is currently Chief Development Officer, International at global media company, Warner Bros. Discovery, where he leads strategic growth and expansion opportunities across Europe, the Middle East, Africa, Asia, the Pacific and Latin America. A corporate lawyer by background, Anil has previously held leadership positions at Discovery, Sky and 21st Century Fox.

Anil is passionate about tennis, having played the sport from a young age.

Nigel Jordan

Nigel joined the Board on 1 January 2023 as a Non-Executive Director by virtue of his appointment as the Chair of the Development Tennis Advisory Group. He has supported grass roots tennis for most of his adult life - as a player, team captain, committee member and club chair.

Nigel previously represented Kent on the LTA Council, alongside his roles as County Treasurer and Management Board member at Bromley Tennis Centre.

Nigel was a career civil servant specialising in countering international tax avoidance. He established new domestic channels for sharing intelligence in the wake of the terrorist attacks on 9/11 and, as the UK Competent Authority for the exchange of information under international agreements, expanded international cooperation through the sharing of knowledge and data. His final role was to lead the end-to-end delivery of tax credits and child benefit.

Scott Lloyd

Scott joined as CEO of the Lawn Tennis Association on 8 January 2018. Prior to joining the LTA, Scott has had a successful business career in the sports and leisure industry.

As Group Chief Executive of David Lloyd Leisure Limited, Scott led the business from 2007 through to a sale to TDR Capital in September 2013. Scott stayed with the company as CEO until July 2015 and continues to hold a Non-Executive Director role.

Sandra (Sandi) Procter

Sandi joined the Board on 6 January 2017 as an LTA Council-elected Non-Executive Director and then became Deputy President in January 2020 and now LTA President for 2023-2025.

Sandi represented Kent on the LTA Council before she became Deputy President. She sat on the Kent LTA board until 2022 and was involved in a wide range of Kent activities for over 25 years.

Sandi is a Trustee of the LTA Tennis Foundation and a member of the Nomination Committee, the LTA Remuneration Committee and the Championships Committee of Management. She is also a member of the Tennis Europe Development Committee and the ITF Olympic Committee.

Sandi is a former PE teacher turned tennis coach and Tennis Centre Manager and has a particular passion for youth tennis. She created the original Mini Tennis Red, Orange and Green programme and the Tennis Leaders programme for the LTA, with resources, training materials and delivery to British coaches.

Simon Steele

Simon joined the Board on 28 November 2016 in his capacity as Finance Director. He is a Trustee of the LTA Tennis Foundation, a member of the Investment Advisory Group and is also responsible for the LTA's legal team. Simon has over 15 years' experience in the sports industry across a number of different organisations. Prior to joining the LTA, Simon was Head of Finance and Business Development at Team Sky and, prior to that, spent 15 years at Sky, leading finance teams supporting business areas including marketing, technology and Sky Sports. Simon is a member of the Institute of Chartered Accountants in England and Wales, having trained and qualified with KPMG.

Sir David Tanner

Sir David joined the LTA Board on 1 August 2018 as an Independent Non-Executive Director. He is a member of the Nomination Committee and is the lead Director for Welfare and Safety which includes Safeguarding and Anti-Doping.

In his professional life, he was the Performance Director for British Rowing until he stepped down in February 2018 after 21 years in the role. During that time Great Britain became the world's leading Olympic and Paralympic rowing nation, topping the medal tables at both games until Rio 2016.

Before the days of Lottery funding for elite sport, Sir David was a medal-winning Olympic coach which he combined with a successful full-time career in education, latterly as Headteacher of a West London Comprehensive School, until he took up the Performance Director role in 1996.

He chairs the Boards of two secondary schools, Orleans Park Academy in Twickenham and Shiplake College in Henley-on-Thames. He is an ardent tennis supporter.

Sir David was appointed OBE in 2003, CBE in 2009 and received a knighthood from the Queen in 2013 for services to the London 2012 Olympic and Paralympic Games.

ATTENDANCE AT BOARD MEETINGS

Listed below is the attendance at Board meetings of the directors of the Company who were in office during the year and up to the date of signing the financial statements:

Name		No. of meetings attended in 2023
Lord Davies of Abersoch	Chair	8 out of 9
Rachel Baillache	Senior independent director	8 out of 9
Sara Bennison	Independent non-executive director	9 out of 9
Sanjay Bhandari	Independent non-executive director	8 out of 9
Roy Colabawalla	Deputy President and non-executive director	9 out of 9
Lesley Cundy	Council-Nominated Board Member and non-executive director (resigned 31 December 2023)	8 out of 9
Richard Cutler	Council-Nominated Board Member and non-executive director	9 out of 9
Bridie Amos	Council-Nominated Board Member and non-executive director (appointed 1 January 2024)	0 out of 0
Anil Jhingan	Independent non-executive director	9 out of 9
Nigel Jordan	DTAG Chairperson and non-executive director	9 out of 9
Scott Lloyd	Chief Executive Officer	9 out of 9
Sandi Procter	President and non-executive director	9 out of 9
Simon Steele	Finance Director	9 out of 9
Sir David Tanner	Independent non-executive director	9 out of 9

New Board members receive an induction into the LTA and on-going training as required. Board members also have access to the Company Secretary and any external advisors and resources as required. The LTA maintains director and officer's liability insurance.

BOARD STANDING COMMITTEES

As noted above, there are three Board Standing Committees, each of which has delegated responsibility for key areas and reports back to the Board on a regular basis. Minutes of committee meetings are circulated to all Board members. The terms of reference for each Board Standing Committee are approved by the Board and are set out in the LTA Rules.

i) Audit Committee

The role and responsibilities of the Audit Committee are (amongst other things) to monitor the integrity of the financial statements of the LTA, to keep the internal financial controls and financial risk management systems under review, to oversee the LTA's Investment Advisory Group, to manage the appointment and performance and to ensure the independence of the external and internal auditors and to review and recommend the annual financial statements to the Board for approval. The Audit Committee considers and receives reports from the executive on the nature of risks facing the LTA, the categories of risk that might be considered to be acceptable, the likelihood and impact of risks materialising, the LTA's ability to reduce or mitigate this likelihood and impact of risks on its business and the costs of operating the particular controls relative to the benefit obtained in managing the identified risks.

The Audit Committee reports to the Board and meets at least 3 times a year. The Audit Committee members during the year, and at the date of signing were:

Name	No. of meetings attended in 2023
Rachel Baillache (chair)	3 out of 3
Sanjay Bhandari	2 out of 3
David Rawlinson (after ceasing to be a non-executive director on 31 December 2022, co-opted as a member for specialist expertise)	3 out of 3

The President, Chief Executive Officer, Finance Director, Head of Group Finance, Finance Manager and the LTA's internal and external auditors attended the Audit Committee meetings in 2023 by invitation as appropriate.

PricewaterhouseCoopers LLP, the independent external auditors, also provides tax advice to the LTA via separate engagement teams. The Audit Committee is satisfied that the provision of tax advice does not compromise the external auditors' objectivity and independence.

ii) Nomination Committee

With effect from 8 February 2022, the Board Nominations Committee and the Council Nominations Committee ceased to exist. The Nomination Committee was established on 9 February 2022, with its terms of reference set out in the new LTA Rules (which came into effect on that same date). The Nomination Committee (amongst other things) keeps the composition of the Board and LTA Council under review, makes recommendations for appointments to the Board, LTA Council and other bodies and for succession planning, and oversees the LTA's Inclusion and Diversity Advisory Group.

The Nomination Committee reports to the Board and meets at least 3 times a year.

The Nomination Committee met 3 times during the year, and the members during the year and at the date of signing were:

Name	No. of meetings attended in 2023
Lord Davies of Abersoch (chair)	3 out of 3
Rachel Baillache	3 out of 3
Roy Colabawalla	3 out of 3
Sandi Procter	3 out of 3
Sir David Tanner	3 out of 3

The Company Secretary attended all meetings of the Nomination Committee in 2023 and the Chief Executive Officer and People Director were invited to attend the Nomination Committee meetings in 2023 as appropriate.

iii) Remuneration Committee

The role of the Remuneration Committee is (amongst other things) to determine the LTA's policy on remuneration and (within the terms of that policy) the total remuneration packages of the Chief Executive Officer and senior executives. The Remuneration Committee engages independent external consultants to benchmark remuneration levels as required. The LTA's remuneration strategy is to pay executives appropriate market remuneration packages to attract and retain high-calibre individuals to deliver the LTA's objectives. No remuneration is paid to the non-executive board members. The Remuneration Committee reports to the Board and meets at least three times a year.

In 2023, as well as the usual items of business, the committee discussed and reviewed the LTA's commitment to paying The Real Living Wage (RLW) and the impact that this has had, given the 10% applied in 2024. The committee reviewed the number of employees affected by our increase to the RLW and agreed to exceptional increases for those that as a result of increases in RLW, were affected by compression of salaries. The committee gave its commitment to the LTA continuing to be a RLW employer.

The Remuneration Committee members during the year and at the date of signing were:

Name	No. of meetings attended in 2023
Sara Bennison (chair)	4 out of 4
Lord Davies of Abersoch	4 out of 4
Anil Jhingan	4 out of 4
Sandi Procter	4 out of 4

The Chief Executive Officer and People Director attended the Remuneration Committee meetings in 2023 as appropriate.

LTA COUNCIL

The LTA Council and its composition and powers are established through the governing documentation of the Company. The LTA Council is led by the President, supported by the Deputy President. A number of the members of the Company are entitled to nominate a person as a Councillor. The role and responsibility of the LTA Council (both collectively and acting through individual Councillors) includes:

- to disseminate and support the LTA's vision, mission and values
- proactively to encourage inclusion and diversity within the tennis community
- to provide a forum for representatives of certain members of the Company to come together, exchange ideas and exercise the rights set out in Appendix B to the articles of association

The LTA Council met four times (2022: five) in the year and at those meetings received reports from the Board and various areas of the business.

THE EXECUTIVE

The Executive is responsible for the implementation of the strategy, financial plans, objectives and major policies of the LTA. It is directly accountable to the Board, and responsible for briefing and updating the Board with relevant information. The Executive team at the date of signing this report consisted of:

- Scott Lloyd, Chief Executive Officer
- Simon Steele, Finance Director
- Michael Bourne, Performance Director
- Chris Pollard, Digital, Technology and Events Director
- Julie Porter, Chief Operating Officer
- Oliver Scadgell, Participation Director
- Vicky Williams, People Director

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

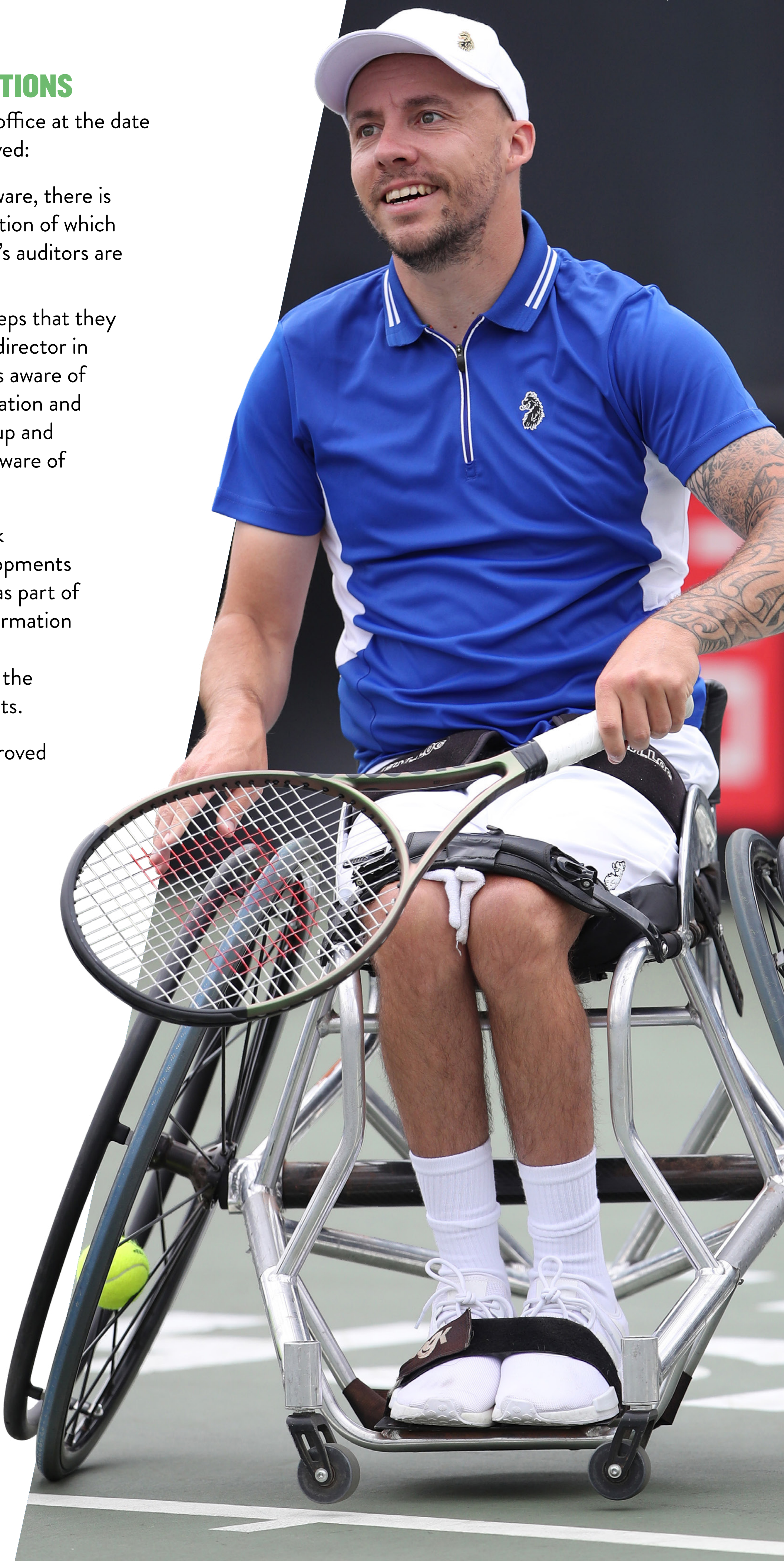
- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the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

Information on the Group's risk management and future developments can be found on pages 26-30 as part of the Strategic Report while information on related party transactions is disclosed on page 97 as part of the notes to the financial statements.

The Directors' Report was approved and authorised for issue by the Board on 23 April 2024 and is signed on its behalf by:

S Lloyd

Scott Lloyd
Chief Executive Officer
23 April 2024



STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Finance & Governance Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements 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).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Scott Lloyd
Chief Executive Officer
23 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAWN TENNIS ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAWN TENNIS ASSOCIATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Lawn Tennis Association Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Finance and Governance Report (the "Annual Report"), which comprise: the Group Statement of Financial Position and Company Statement of Financial Position as at 31 December 2023; the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, and the Group Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the 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 group 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 group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' 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 group's and the company's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors 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.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors 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 directors 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 directors are responsible for assessing the group's and the 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 directors either intend to liquidate the group or the 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known of suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in determining their significant accounting estimates;
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations and consolidation journals;
- Reviewing minutes of meetings of those charged with governance; and
- Designing audit procedures to incorporate unpredictability over the nature, timing or extent of our testing.

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 the 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 company'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

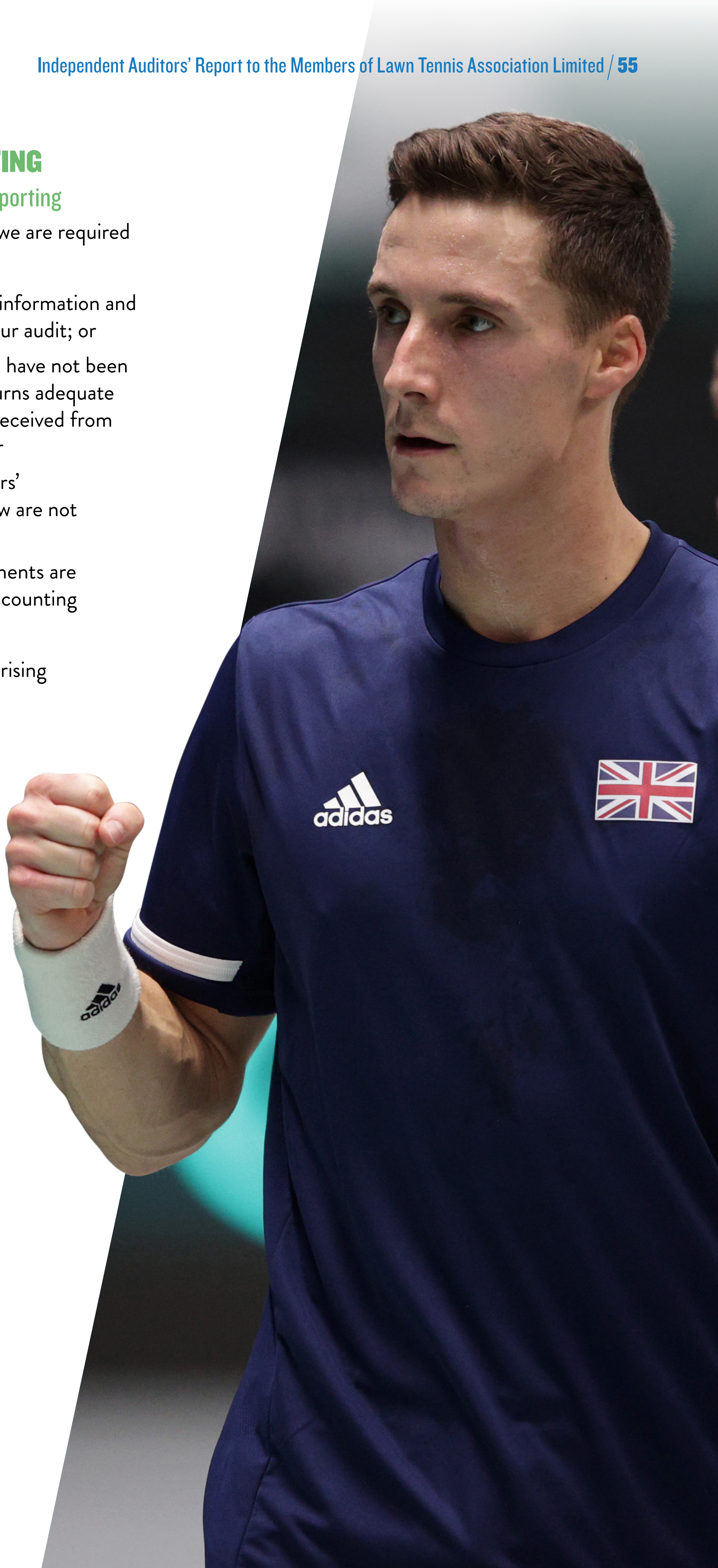
Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Lambert
(Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London 23 April 2024



GROUP FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023 £'000s	2022 £'000s
Revenue	2	**108,451**	79,570
Administrative expenses		(114,432)	(87,604)
Exceptional item		690	(1,424)
Operating loss	3	**(5,291)**	(9,458)
Income/(Loss) from other fixed asset investments		4,131	(6,783)
Other interest receivable and similar income	5	270	944
Interest payable and similar expenses	6	(282)	(287)
Loss before taxation		**(1,172)**	(15,584)
Tax on loss	7	(993)	(851)
Loss for the financial year		**(2,165)**	(16,435)
Other comprehensive expense:			
Remeasurements of net defined benefit obligation	20a	(40)	-
Total comprehensive loss for the year		**(2,205)**	(16,435)

All of the Group's activities are continuing.

There are no material differences between the loss before taxation and the loss for the financial year stated above and their historical cost equivalents for either 2023 or 2022.

The notes on pages 64 to 97 form an integral part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 £'000s	2022 £'000s
Fixed assets			
Intangible assets	8	10,585	10,730
Property, plant and equipment	9	34,708	34,308
Investments	10	72,292	62,865
		117,585	107,903
Current assets			
Inventories	13	591	227
Trade and other receivables – amounts falling due after more than one year	14	17,951	18,742
Trade and other receivables – amounts falling due within one year	14	39,865	36,279
Investments	10	2,031	-
Cash at bank and in hand	15	15,675	27,303
		76,113	82,551
Trade and other payables – amounts falling due within one year	16	(28,359)	(21,095)
Net current assets		**47,754**	61,456
Total assets less current liabilities		165,339	169,359
Trade and other payables: amounts falling due after more than one year	16	(11,619)	(13,406)
Post-employment benefits	20	(21)	-
Provisions for liabilities			
Other provisions	17	(944)	(993)
Net assets		**152,755**	154,960
Equity			
Retained earnings		152,755	107,871
Other reserves	19	-	47,089
Total equity		**152,755**	154,960

The financial statements on pages 57 to 97 were approved and authorised for issue by the Board on 23 April 2024 and were signed on their behalf by:

Simon Steele
Finance Director

The notes on pages 64 to 97 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 £'000s	2022 £'000s
Fixed assets			
Intangible assets	8	-	-
Investments	10	39,448	37,798
		39,448	37,798
Current assets			
Trade and other receivables – amounts falling due within one year	14	116,501	115,913
Cash at bank and in hand	15	324	988
		116,825	116,901
Trade and other payables – amounts falling due within one year	16	(24)	(34)
Net current assets		**116,801**	116,867
Total assets less current liabilities		156,249	154,665
Deferred tax liability	18	(637)	(507)
Net assets		**155,612**	154,158
Equity			
Retained earnings		155,612	154,158
Total equity		**155,612**	154,158

Lawn Tennis Association Limited made a profit after taxation of £1.5m in the year (2022: loss £3.1m). This was largely due to unrealised gains on investments of £1.1m and gains on disposal of fixed asset investments of £0.6m.

The financial statements on pages 57 to 97 were approved and authorised for issue by the Board on 23 April 2024 and were signed on their behalf by:

Simon Steele
Finance Director

The notes on pages 64 to 97 form an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

Group	Note	Retained earnings £'000s	Retained earnings (other reserves) £'000s	Total retained earnings £'000s	Total equity £'000s
Balance as at 1 January 2022		121,938	49,457	171,395	171,395
Loss and comprehensive expense for the year		(14,067)	(2,368)	(16,435)	(16,435)
Balance as at 31 December 2022		107,871	47,089	154,960	154,960
Balance as at 1 January 2023		107,871	47,089	154,960	154,960
Loss and total comprehensive expense for the year	19	2,167	(4,372)	(2,205)	(2,205)
Reserves transfer	19	42,717	(42,717)	-	-
Balance as at 31 December 2023		**152,755**	**-**	**152,755**	**152,755**

Company	Retained earnings £'000s	Retained earnings (other reserves) £'000s	Total retained earnings £'000s	Total equity £'000s
Balance as at 1 January 2022	157,216	-	157,216	157,216
Loss for the financial year	(3,058)	-	(3,058)	(3,058)
Balance as at 31 December 2022	**154,158**	**-**	**154,158**	**154,158**
Balance as at 1 January 2023	154,158	-	154,158	154,158
Profit for the financial year	1,454	-	1,454	1,454
Balance as at 31 December 2023	**155,612**	**-**	**155,612**	**155,612**

GROUP STATEMENT OF CASHFLOWS

For the year ended 31 December 2023

	Note	2023 £'000s	2022 £'000s
Net cash flows from operating activities	1	**2,893**	4,794
Taxation repaid/(paid)		**1**	(344)
Net cash generated from operating activities		**2,894**	4,450
Cash flow from investing activities			
Purchase of intangible assets		**(3,172)**	(5,181)
Purchase of tangible assets		**(2,878)**	(3,814)
Proceeds from sale of investments		**29,594**	10,490
Purchase of investments		**(38,744)**	(6,692)
Interest received		**270**	33
Income from fixed asset investments		**2,082**	911
Net cash used in investing activities		**(12,848)**	(4,253)
Cash flow from financing activities			
Interest paid on loans (DCMS)		**(512)**	
Repayment of loans (DCMS)		**(894)**	-
Net cash used in financing activities		**(1,406)**	-
Net (decrease)/increase in cash and cash equivalents		**(11,360)**	197
Cash and cash equivalents at the beginning of the year		**29,846**	29,649
Cash and cash equivalents at the end of the year		**18,486**	29,846
Cash and cash equivalents consists of:			
Cash at bank and in hand		**15,675**	27,303
Cash held for investment purposes*		**2,811**	2,543
Cash and cash equivalents		**18,486**	29,846

*Cash held for investment purposes is included in investments on the Group Statement of Financial Position.

The notes on pages 64 to 97 form an integral part of these financial statements.

NOTES TO THE STATEMENT OF CASHFLOWS

For the year ended 31 December 2023

1. Reconciliation of loss before taxation to cash generated from operations

	2023 £'000s	2022 £'000s
Loss before tax	**(1,172)**	(15,584)
Net (gain)/loss on fixed asset investments	**(4,131)**	6,783
Other interest receivable and similar income	**(270)**	(944)
Net interest expense	**282**	287
Operating loss	**(5,291)**	(9,458)
Amortisation of intangible assets	**3,574**	3,109
Loss on disposal of intangible assets	**-**	108
Depreciation of tangible assets	**2,282**	2,065
Loss on disposal of tangible assets	**36**	45
Movement on provisions	**(49)**	(257)
Movement on bad debt loan provisions	**(60)**	-
Withholding tax adjustment	**(529)**	(590)
Actuarial losses	**(19)**	-
Effect of exchange rate changes on cash	**-**	(387)
Working capital movements:		
- Increase in inventories	**(364)**	(54)
- (Increase)/decrease in receivables	**(2,815)**	8,652
- Increase in payables	**6,128**	1,561
Cash generated from operating activities	**2,893**	4,794

The notes on pages 64 to 97 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Lawn Tennis Association Limited ('the Company') is a private company limited by guarantee having no share capital and is incorporated and domiciled in England and Wales. The address of its registered office is The National Tennis Centre, 100 Priory Lane, Roehampton, London, SW15 5JQ, England.

Statement of compliance

The Group and Company financial statements are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102). The Group and Company have also adopted the Amendments to FRS 102 (issued in July 2015). Lawn Tennis Association Limited constitutes a public benefit entity ('PBE') as defined by FRS 102, being an entity whose primary objective is to provide goods and services for the general public.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The Group and Company financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 1z).

b) Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. The directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment.

The directors have carefully considered these risks including an assessment on uncertainty of future trading projection for a period of at least 12 months from the date of signing of the financial statements, and the extent to which they might affect the preparation of financial statements on a going concern basis.

On the basis of their assessment of the Group financial position and resources, the Directors have concluded that the Group has sufficient financial resources to meet its liabilities as they fall due. The Directors have reviewed the Group's cash flow projections which incorporate reasonable sensitivities and contingencies around potential impacts on the Group's business activities. In addition to the £10m overdraft facility and £13.4m DCMS loan, the Group holds sufficient short-term investments to manage the known risks, therefore the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Exemptions for qualifying entities under FRS 102

As the Company is a member of the Group whose consolidated financial statements are publicly available it meets the exemption for qualifying entities as defined by FRS 102. As a qualifying entity it is entitled to certain disclosure exemptions, subject to certain conditions that have been complied with, including notification of and no objection to, the use of exemptions by the Company's members.

1. ACCOUNTING POLICIES (CONTINUED)

c) Exemptions for qualifying entities under FRS 102 (continued)

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes the Company's cash flows; and
- from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(c) and paragraphs 12.26, 12.27, 12.29(a), 12.29(b) as the information is provided in the consolidated financial statement disclosures.

d) Lawn Tennis Association Limited

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company, Lawn Tennis Association Limited, is not presented as part of these financial statements.

e) Basis of consolidation

The Group financial statements consolidate the financial statements of Lawn Tennis Association Limited ('the Company') and its subsidiary undertakings (including LTA Tennis Foundation and Tennis Foundation (Legacy)) made up to 31 December 2023. The profits and losses of subsidiaries are consolidated from the date of acquisition to the date of disposal.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity. Uniform accounting policies are used for all the companies included in the Group consolidation.

f) Quasi subsidiaries

In determining whether a company controls another entity, regard should be had to who in practice directs the entity's financial and operating policies. Lawn Tennis Association (unincorporated) is not directly owned by the Group but meets the definition of a quasi-subsidiary under paragraph 9.1 and 9.11 of FRS 102 as it is managed on a unified basis by the Company. As such, it has been accounted for in the same way as other subsidiaries and has been fully consolidated into the Group financial statements.

g) Accounting for unincorporated joint arrangement – The Championships

In these financial statements The Championships are accounted for as an unincorporated joint arrangement. The joint arrangement is governed by a 1934 principal agreement which has been supplemented and amended by various agreements or deeds, most recently in 2011 between the Club and the LTA, whereby The Championships are controlled, managed and promoted by the Committee of Management which consists of twelve members representing the Club and 7 members representing the LTA. The Championships prepares its financial statements to 31 July.

The allocation of the financial surplus of The Championships is also governed by this agreement. The financial arrangements are designed to advance the interests of Great British tennis and 90% of the surplus is distributed to the LTA from the distribution as agreed by the Joint Finance Committee.

h) Revenue

Revenue includes the gross surplus of The Championships due to the LTA, Sport England grant, income from ticketing and hospitality fees from tennis tournaments, commercial and sponsorship income, government grants, advertising income and subscriptions less any refunds or returns and is stated net of VAT.

Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration. This is recorded at the value of the consideration due. Where a contract has only been partially

1. ACCOUNTING POLICIES (CONTINUED)

h) Revenue (continued)

completed at the Statement of Financial Position date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. The Group follows the cost model under Section 24 of FRS 102.

The Group recognises revenue in relation to the sale of goods when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Group's sales channels have been met.

i) Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

j) Foreign currencies

(i) Functional and presentation currency

The Group and Company's functional and presentation currency is the sterling pound.

Figures are rounded to thousands.

(ii) Transactions and balances

Foreign currency transactions arising during the year are translated at the rates prevailing at the date of the transaction unless covered by a forward exchange contract, in which case the contract rate is used. Balances outstanding at the year end are translated at the rate ruling on that date unless covered by a forward exchange contract. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

k) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term.

l) Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

m) Intangible fixed assets and amortisation

Intangible fixed assets are stated in the Statement of Financial Position at cost less provision for amortisation. Amortisation is calculated to write off the cost of intangible assets over their expected lives by equal instalments. The expected life of each intangible asset is determined on an individual basis, dependent on the duration of its economic benefit.

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual

1. ACCOUNTING POLICIES (CONTINUED)

m) Intangible fixed assets and amortisation (continued)

values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. Commercial rights are amortised over the contractual period to which they relate. Computer software's amortisation period is between 4 and 5 years to reflect the expected future economic benefit of the assets. Assets under construction are amortised once their useful lives commence and in accordance with their asset class.

Costs associated with maintaining computer software are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

n) Property, plant and equipment and depreciation

Property, plant and equipment are stated in the statement of financial position at cost less provision for depreciation. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost, less estimated residual value, of property, plant and equipment over their expected lives by equal annual instalments. Depreciation is provided on all property, plant and equipment apart from freehold land and assets under construction. The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The following asset lives are used:

Land & buildings	10-125 years
Motor vehicles	4 years
Furniture, computers & equipment	3 to 20 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively. Assets under construction are depreciated once their useful lives commence and in accordance with their asset class.

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group

1. ACCOUNTING POLICIES (CONTINUED)

n) Property, plant and equipment and depreciation (continued)

and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives. Repairs, maintenance and minor inspection costs are expensed as incurred.

o) Impairment of non-financial assets

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use.

The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset. If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

p) Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

q) Investments

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

Third party investments comprises of shares or stocks. Investments where no control, joint control or significant influence is held i.e. other investments, are measured at fair value with movements going through income statement. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

r) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the year in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

1. ACCOUNTING POLICIES (CONTINUED)

s) Hedging

The Group does not apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. Derivatives, including interest rate swaps and forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the derivatives are recognised in profit or loss in finance costs or income as appropriate.

Where foreign currency borrowings (including forward exchange contracts) are used to finance or provide a hedge against the exchange risk associated with existing foreign fixed-asset investments denominated in foreign currency, the investments are re-translated at each statement of financial position date at the exchange rates ruling at the year end with movements taken to reserves. These foreign exchange movements are offset by the re-translation of the forward exchange contracts to the extent of the exchange differences arising on the fixed-asset investments. Foreign exchange movements arising from the retranslation of forward exchange contracts in place at the statement of financial position date are also taken to reserves.

t) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss immediately. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1. ACCOUNTING POLICIES (CONTINUED)

t) Financial Instruments (continued)

(ii) Financial liabilities (continued)

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Loans paid and received are offset and the net amounts presented in the financial statements as doing so enhance the understanding of the cash flows.

u) Cash and cash equivalents

Cash and cash equivalents includes bank balances, short-term maturity deposits held at call and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any, are shown within borrowings in current liabilities on the statement of financial position.

Cash and cash equivalents are stated at face value.

v) Provisions and contingencies

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

In particular:

- restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

1. ACCOUNTING POLICIES (CONTINUED)

w) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Taxation represents the amount estimated to be payable or recoverable in respect of the taxable profit or loss for the year, along with adjustments to estimates in respect of previous years. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements. Provision for deferred tax is made in respect of all timing differences that have originated but not reversed by the statement of financial position date. The provision for deferred tax is not discounted. Deferred tax assets are only recognised to the extent that it is regarded that they will be recovered.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

x) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements.

Short-term benefits:

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Long-term benefits:

Amounts payable under the long-term incentive scheme are dependent on performance targets. Employees are required to remain in employment with the Group to receive any payment. The Group does not set aside assets to fund the payments and pays the benefits out of cash resources. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

Termination benefits:

Termination benefits are recognised as an expense in the year in which the benefits are provided to the employees or are expensed and accrued when the Group has committed to make payments in the future. If there is an uncertainty about the number of employees who will accept an offer of termination benefits, the contingent liabilities is disclosed unless the possibility of an outflow in settlement is remote.

Pension costs:

Contributions payable to defined contribution schemes are charged to the income statement in the year to which they relate.

The Group participates within the Local Government Pension Scheme (LGPS), which is a multi-employer funded defined benefit plan for qualifying employees, administered by Nottinghamshire County Council. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using

1. ACCOUNTING POLICIES (CONTINUED)

x) Employee benefits (continued)

Pension costs (continued):

market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- The increase in pension benefit liability arising from employee service during the period.
- The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'finance expense'.

y) Concessionary loans

Concessionary loans made are initially measured at the amount paid. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any accrued interest payable or receivable.

To the extent that a loan that has been made is irrecoverable, an impairment loss is recognised in the income statement.

z) Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management and the Board to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. No material judgements and estimates have been made in the current year or prior year.

a1) Amendments to FRS 102

The following amendments to FRS 102 (issued in July 2015) have been adopted by the Group in the financial statements.

i) Amendments to Section 4: Statement of financial position:

The Group has adopted the amendments to para 4.2 of FRS 102. The Group has chosen to apply IFRS format in presenting the Statement of financial position. The terminology has been changed as per IFRS. The presentational change has no such material impact in the Group's financial statements.

ii) Amendments to Section 5: Income statement and statement of other comprehensive income:

The Group has adopted the amendments to para 5.10 of FRS 102. The Group has chosen to apply IFRS format in presenting the Statement of income and Statement of comprehensive income. The terminology has been changed as per IFRS. The presentational change has no such material impact in the Group's financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

a1) Amendments to FRS 102 (continued)

iii) Amendments to Section 18: Intangible assets including goodwill:

The Group has adopted the amendments to para 18.19 and 18.20 of FRS 102. The amendments to para 18.19 clarifies if an entity is unable to make a reliable estimate of the useful life of an intangible asset, the useful life limit should not exceed ten years. As the Group does not have any intangible assets with indefinite useful life, the application of amendments has no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

iv) Amendments to Section 27: Impairment of assets:

The Group has adopted the amendments to para 27.31 of FRS 102. The amendments to para 27.31 clarify the removal of hierarchy for reversing impairment charges, with the entity no longer required to allocate the amount of impairment reversal in a particular order. This is largely due to the fact that goodwill impairment reversals are no longer permitted under FRS 102. As the Group does not have any impairment charges that qualify for reversal, the application of amendments has no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

v) Amendments to Section 33: Related party disclosures:

The Group has adopted the amendments to para 33.2(viii) of FRS 102. The amendments clarify the increase in scope of related parties by including an entity, or any member of a Group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity, as being a related entity.

As the Group already discloses all of its parent-subsidiary relationships in note 10, the application of amendments has no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

2. REVENUE

Revenue arises materially from trading activities in the UK. Revenue is earned from the participation of Great Britain teams in Davis Cup and Billie Jean King Cup ties overseas, however this is immaterial.

Analysis of revenue by category:

	2023 £'000s	2022 £'000s
Rendering of services	89,125	77,099
Grant income	19,326	2,471
	108,451	79,570

Analysis of revenue by subcategory:

	2023 £'000s	2022 £'000s
Revenue from The Championships	56,073	49,704
Commercial	9,161	6,744
Major events	18,901	16,988
Parks tennis project grant	16,726	-
Sport England revenue and other grants	2,600	2,471
Other revenue	4,990	3,663
	108,451	79,570

3. OPERATING LOSS

	2023 £'000s	2022 £'000s
Operating loss is stated after charging/(crediting):		
Amortisation of intangible assets (note 8)	3,574	3,109
Depreciation (note 9)	2,282	2,065
Loss on disposal of assets	36	152
Operating lease and other hire charges:		
- Plant and machinery	27	38
- Motor vehicles	152	239
Auditors' remuneration:		
- Audit fee for parent company and consolidated financial statements	112	107
- Audit fee for audit of subsidiaries	7	7
- Tax compliance services	120	88
- Non-audit services	35	11

The Audit Committee has agreed with the Group's auditors that the auditor's liability for damages for breach of duty in relation to the audit of the Group's financial statements for the year to 31 December 2023 may be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages may be limited to that part of any loss suffered by the Group as is just and equitable having regard to the extent to which the auditor, the Group and any third parties are responsible for the loss in question. The members resolved to waive the need for approval by the members of the company of this liability limitation agreement, as permitted in terms of the Companies Act 2006, by a resolution dated 13 December 2023.

4. EMPLOYEES AND DIRECTORS

The average monthly number of employees, including directors, of the Group during the year was 351 (2022: 326) as follows:

	2023 Number	2022 Number
Participation	119	100
Performance	63	64
Commercial, major events and marketing	68	59
Business support and governance	101	103
	351	326

The Participation headcount has increased by 19 primarily due to the ongoing Parks investment project which is expected to continue into the summer of 2024.

In addition to the above, the average number of casual workers on the Flexible Talent Bank during 2023 was 27 (2022: 18), reflecting the greater choice and flexibility the LTA is offering since the pandemic.

The Company had no (2022: nil) employees.

The aggregate amounts payable to employees of the Group during the year were:

	2023 £'000s	2022 £'000s
Group employees		
Wages and salaries	21,350	18,669
Social security costs	2,511	2,348
Other pension costs	1,345	1,183
	25,206	22,200

Amounts payable to employees of the Group are stated net of £0.4m (2022: £0.5m) of costs which have been capitalised as intangible assets.

4. EMPLOYEES AND DIRECTORS (CONTINUED)

	2023 £'000s	2022 £'000s
Directors' remuneration		
Aggregate remuneration	896	803
Aggregate amounts accruing under long-term incentive scheme	164	152
Company pension contributions to money purchase scheme	22	21
Aggregate emoluments	**1,082**	**976**

The aggregate emoluments were paid to 2 (2022: 2) directors, both of whom were employed for the whole of 2023 (2022: 2). Retirement benefits are accruing to one (2022: one) director under a money purchase scheme.

Amounts accruing under the long-term incentive scheme are dependent on performance targets. Employees are required to remain in employment with the Group to receive any payment. Amounts are accrued and were partially paid in 2023.

	2023 £'000s	2022 £'000s
Highest paid director		
Aggregate remuneration	610	572
Aggregate amounts accruing under long-term incentive schemes	124	77
***Aggregate emoluments**	**734**	649

Amounts accruing, not paid, under the long-term incentive scheme are dependent on performance targets. Employees are required to remain in employment with the Group to receive any payment.

*Aggregate emoluments includes all remuneration receivable to the highest paid director, including a pension allowance.

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000s	2022 £'000s
Group bank and other interest receivable	270	33
Income from fixed asset investments	-	911
Net finance income	**270**	944

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000s	2022 £'000s
Group interest payable on DCMS loan	282	287
Net finance expense	**282**	287

7. TAX ON LOSS

	2023 £'000s	2022 £'000s
Group taxation		
Current tax		
UK corporation tax on results for the year	909	-
Adjustment in respect of prior years	(5)	133
Overseas tax	521	596
Double taxation relief	(521)	-
Total current tax	**904**	729
Deferred tax:		
Origination and reversal of timing differences	163	87
Effect of future corporation tax rate changes	10	27
Adjustment in respect of prior years	(84)	8
Total deferred tax	**89**	122
Tax on loss	**993**	851

7. TAX ON LOSS (CONTINUED)

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 23.52% for the year (2022: 19%). The differences are explained below:

	2023 £'000s	2022 £'000s
Factors affecting tax charge		
Loss before taxation	(1,172)	(15,584)
Loss before taxation multiplied by hybrid corporation tax rate in the UK of 23.52% (2022: standard rate 19%)	(276)	(2,961)
Effects of:		
Expenses not deductible for tax purposes	1,835	2,783
Deferred tax on FRS102 adjustments	(93)	4
Overseas tax	521	596
Double taxation relief	(521)	-
Income not taxable	(229)	(162)
Effect of gains	9	65
Adjustment in respect of prior years	(89)	141
Deferred tax not recognised	4	4
Excess grass roots deduction	-	330
Effect of future corporation tax rate changes	10	27
Revaluation	(178)	24
Total tax charge	**993**	**851**

The main rate of corporation tax to 31 March 2023 was 19%. From 1 April 2023, the UK corporation tax rate increased to 25% on taxable profits over £0.25m, 19% for taxable profits below £0.05m and a hybrid rate for taxable profits between £0.05m and £0.25m. The rate above represents the average rate of UK corporation tax payable on taxable profits accrued evenly over the year.

8. INTANGIBLE ASSETS

Group	Commercial Rights £'000s	Assets under construction £'000s	Computer Software £'000s	Goodwill £'000s	Total £'000s
Cost:					
At 1 January 2023	2,080	397	15,497	329	18,303
Additions	-	1,242	1,747	-	2,989
Additions – Internally generated	-	25	415	-	440
Disposals	-	-	(400)	-	(400)
Transfer	-	(397)	397	-	-
At 31 December 2023	**2,080**	**1,267**	**17,656**	**329**	**21,332**
Accumulated Amortisation:					
At 1 January 2023	2,080	-	5,184	309	7,573
Charge for the year	-	-	3,554	20	3,574
Disposals	-	-	(400)	-	(400)
At 31 December 2023	**2,080**	**-**	**8,338**	**329**	**10,747**
Net book value					
At 31 December 2023	**-**	**1,267**	**9,318**	**-**	**10,585**
At 31 December 2022	-	397	10,313	20	10,730

8. INTANGIBLE ASSETS (CONTINUED)

	Commercial rights £'000s
Cost:	
At 1 January 2023	2,080
Additions	-
At 31 December 2023	**2,080**
Accumulated Amortisation:	
At 1 January 2023	2,080
Charge for the year	-
At 31 December 2023	**2,080**
Net book value:	
At 31 December 2023	**-**
At 31 December 2022	-

Commercial rights consist of The Queen's Club Championships ATP 500 sanction. The LTA acquired this sanction in 2014 at a cost of £2.1m following the upgrade of The Queen's Club Championships. This cost was being amortised in line with the accounting policy for intangible assets to 2023, resulting in a net book value at 31 December 2023 of £nil (2022: £nil).

9. PROPERTY, PLANT AND EQUIPMENT

Group	Land & buildings £'000s	Motor vehicles £'000s	Furniture, computers & equipment £'000s	Total £'000s
Cost:				
At 1 January 2023	40,199	76	16,162	56,437
Additions	1,704	-	1,014	2,718
Disposals	(60)	-	(84)	(144)
Transfer	478	-	(478)	-
At 31 December 2023	**42,321**	**76**	**16,614**	**59,011**
Accumulated Depreciation:				
At 1 January 2023	10,929	62	11,138	22,129
Charge for the year	1,139	4	1,139	2,282
Disposals	(24)	-	(84)	(108)
At 31 December 2023	**12,044**	**66**	**12,193**	**24,303**
Net book value:				
As at 31 December 2023	**30,277**	**10**	**4,421**	**34,708**
As at 31 December 2022	29,270	14	5,024	34,308

The net book value of land and buildings comprises long leasehold assets.

The Company does not hold any property, plant and equipment (2022: £nil).

10. INVESTMENTS

Fixed asset investments Group	Third party investments £'000s
Net book value	
At 1 January 2023	62,865
Additions	37,521
Disposals	(29,594)
Fair value adjustment	2,034
Movements in cash	(534)
At 31 December 2023	**72,292**

Current asset investments Group	Third party investments £'000s
Net book value	
At 1 January 2023	-
Additions	2,025
Disposals	-
Fair value adjustment	6
Movements in cash	-
At 31 December 2023	**2,031**

Company	Third party investments £'000s	Subsidiaries £'000s	Total £'000s
Net book value			
At 1 January 2023	26,002	11,796	37,798
Additions	13,990	-	13,990
Disposals	(12,628)	-	(12,628)
Fair value adjustment	1,141	-	1,141
Movement in cash	(853)	-	(853)
At 31 December 2023	**27,652**	**11,796**	**39,448**

10. INVESTMENTS (CONTINUED)

The subsidiaries below are all incorporated in England and Wales, were directly or indirectly wholly owned by Lawn Tennis Association Limited at 31 December 2023 and each has its registered office at The National Tennis Centre, 100 Priory Lane, Roehampton, London, SW15 5JQ.

Subsidiary	Nature of activities
LTA Developments Limited	Manages tennis developments on behalf of the LTA
LTA Events Limited	Non-trading entity (Dormant)
LTA Ground Limited	Non-trading entity
LTA Holdings Limited *	Holding company for the Group's subsidiaries before Lawn Tennis Association incorporated
LTA Nominees Limited *	Nominee company for the LTA
LTA Operations Limited *	Main trading entity of the Group
LTA Property Limited *	A holding company for land and buildings of the Group
LTA Services Limited	Provides manpower services
LTA Tennis Foundation	Independent charity to promote community participation through grant and loan funding
The Tennis Foundation (Legacy)	Independent charity to promote community participation through grant funding
Local Tennis Leagues Limited	Organises park tennis leagues throughout Great Britian, Channel Islands and Isle of Man
Tennis GB Limited	Non-trading entity
TF Enterprises Limited	Trading entity of LTA Tennis Foundation.

* Direct subsidiaries of Lawn Tennis Association Limited.

10. INVESTMENTS (CONTINUED)

The directors believe that the carrying value of investments is supported by the underlying net assets.

Lawn Tennis Association Limited has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2023.

Subsidiary	Nature of activities
LTA Developments Limited	Manages tennis developments on behalf of the LTA
LTA Ground Limited	Non-trading entity
LTA Holdings Limited *	Holding company for the Group's subsidiaries before Lawn Tennis Association incorporated
LTA Nominees Limited *	Nominee company for the LTA
LTA Operations Limited *	Main trading entity of the Group
LTA Property Limited *	A holding company for land and buildings of the Group
LTA Services Limited	Provides manpower services
The Tennis Foundation (Legacy)	Independent charity to promote community participation through grant funding
Local Tennis Leagues Limited	Organises park tennis leagues throughout Great Britain, Channel Islands and Isle of Man
Tennis GB Limited	Non-trading entity

11. LAWN TENNIS ASSOCIATION

The Statement of Comprehensive Income and Statement of Financial Position of the unincorporated entity Lawn Tennis Association are included in the Group financial statements and are provided below on the grounds that they are treated as a quasi-subsidiary.

Statement of Comprehensive Income	**2023 £'000s**	2022 £'000s
Result for the financial year	**-**	-

Statement of Financial Position	**2023 £'000s**	2022 £'000s
Cash at bank and in hand	1,227	1,227
Creditors due less than one year	(4)	(4)
Net assets	**1,223**	1,223

12. FINANCIAL INSTRUMENTS BY CATEGORY

The Group and Company's financial instruments can be analysed as follows:

	Group 2023 £'000s	Group 2022 as restated* £'000s	**Company 2023 £'000s**	Company 2022 £'000s
Financial assets				
Financial assets measured at amortised cost	**48,059**	45,103	**116,501**	115,913
Financial assets measured at fair value through the Income Statement (Note 10)	**74,323**	62,865	**27,652**	26,002
Financial liabilities				
Financial liabilities measured at amortised cost	**29,066**	29,365	**23**	34

*The 2022 financial instruments at amortised cost have been restated to remove £2.5m of assets and £5.1m of liabilities that do not meet the definition of financial assets and liabilities.

Financial assets measured at fair value through the Income Statement comprise of third party investments and investments in subsidiaries.

Financial assets measured at amortised cost comprise cash and cash equivalents, trade receivables, amounts owed by group undertakings, amounts owed by The Championships, concessionary loans, tennis developments, hardship loans and accrued income.

Financial liabilities measured at amortised cost comprise DCMS loans, trade payables, other payables and accruals.

13. INVENTORIES

	Group 2023 £'000s	Group 2022 £'000s	**Company 2023 £'000s**	Company 2022 £'000s
Inventories	591	227	-	-
	591	227	**-**	-

There is no significant difference between the replacement cost of the inventory and its carrying amount.

14. TRADE AND OTHER RECEIVABLES

	Group 2023 £'000s	Group 2022 £'000s	**Company 2023 £'000s**	Company 2022 £'000s
Amounts falling due within one year:				
Trade receivables (i)	4,161	3,347	-	-
Amounts owed by Group undertakings (ii)	-	-	116,495	115,907
Amounts owed by The Championships	28,754	25,762	-	-
Concessionary loans (iii)	1,740	1,954	-	-
Tennis developments (iv)	385	142	-	-
Hardship loans to coaches and venues (v)	299	493	-	-
Other receivables	38	28	6	6
Prepayments and accrued income	4,488	4,553	-	-
	39,865	36,279	**116,501**	115,913

	Group 2023 £'000s	Group 2022 £'000s	**Company 2023 £'000s**	Company 2022 £'000s
Amounts falling due after more than one year:				
Concessionary loans (iii)	7,839	7,728	-	-
Deferred tax asset	1,382	1,471	-	-
Tennis developments (iv)	2,666	2,725	-	-
Hardship loans to coaches and venues (v)	27	382	-	-
Prepayments and accrued income	6,037	6,436	-	-
	17,951	**18,742**	**-**	-

(i) Trade debtors

Trade debtors are stated net of a bad debt provision totalling £0.2m (2022: £0.2m).

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(ii) Amounts owed by Group undertakings

Amounts owed by Group undertakings represent intercompany loans that are measured at cost, interest free and repayable on demand.

(iii) Concessionary loans

Group	2023 £'000s	2022 £'000s
Amounts falling due within one year	1,740	1,954
Amounts falling due after more than one year	7,839	7,728
	9,579	9,682

The loans represent interest free loans issued by the LTA 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 a bad debt provision totalling £1.5m (2022: £1.8m).

(iv) Tennis Developments

Included within amounts falling due after more than one year is £2.7m (2022: £2.7m) that represents an amount repayable over a 20 year period, that commenced in 2005, from The West Hants LTC for loans that assisted with the development of the club. In 2006 a moratorium was agreed, deferring the instalments due in the calendar years 2007 and 2008, thus extending the repayment period to 22 years. In 2010 it was agreed to extend the repayment period to 30 years and repayments are being made on this basis. The club was given a loan repayment holiday in 2021 during the COVID-19 pandemic and as a result there is £0.2m outstanding from the club in relation to that period.

(v) Hardship loans to venues and coaches

Hardship loans to venues and coaches are stated net of a bad debt provision totalling £0.3m (2022: £0.2m).

15. CASH AT BANK AND IN HAND

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
Cash at bank and in hand	15,675	27,303	324	988
	15,675	27,303	**324**	988

As at 31 December 2023 £3.9m of the cash balance had been received from DCMS and will be used towards the provision of the parks project in 2024. During 2023 the LTA rearranged an overdraft facility of £10m (2022: £10m), secured against a proportion of its fixed asset investments, to mitigate any unexpected fluctuations in its forecast working capital. At the time of signing the Finance and Governance Report, the overdraft facility had not been drawn upon.

The terms of the overdraft include an arrangement fee at 0.25% of the facility and interest charged at 2.5% above base rate on the amount drawn down.

16. TRADE AND OTHER PAYABLES

Amounts falling due within one year

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
DCMS Loan	1,855	1,192	-	-
Trade payables	702	335	-	-
Corporation tax	381	5	-	-
Other payables	2,905	2,693	-	-
Accruals and deferred income	22,516	16,870	24	34
	28,359	21,095	24	34

Amounts falling due after more than one year

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
Amounts falling due between one and five years				
DCMS Loan	7,150	7,150	-	-
	7,150	**7,150**	**-**	-
Amounts falling due after more than five years				
DCMS Loan	**4,469**	**6,256**	**-**	-
	4,469	**6,256**	**-**	-
Total creditors falling due after more than one year	**11,619**	13,406	-	-

During 2021 the LTA received a loan of £14.3m from the Department of Digital, Culture, Media and Sport (DCMS) as part of the Government's 2020 COVID winter sport support package.

The terms of the loan include an arrangement fee at 0.5% of the facility and interest charged at 2%; biannual repayments of equal value commenced on 30 September 2023 until the full loan and interest has been repaid on 31 March 2031.

17. OTHER PROVISIONS

Group	Legal expenses £'000s	Long-term incentive scheme £'000s	Total £'000s
At 1 January 2023	38	955	993
Amounts utilised	(38)	(438)	(476)
Charged to income statement	25	402	427
At 31 December 2023	**25**	**919**	**944**

Other provisions include legal expenses, and the amounts payable under the long-term incentive scheme are dependent on performance targets; employees are required to remain in employment with the Group to receive the cash payment. The Group does not set aside assets to fund the payments and pays the benefits out of cash resources.

18. DEFERRED TAX ASSET/(LIABILITY)

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
At 1 January	1,471	1,593	(507)	(1,634)
(Charged)/credited to income statement	(89)	(122)	(130)	1,127
At 31 December	**1,382**	1,471	**(637)**	(507)

The gross deferred tax asset/(liability) comprises:

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
Deferred capital allowances	2,359	2,378	(637)	(507)
Pension surplus	(995)	(882)	-	-
Short-term timing differences	6	(72)	-	-
FRS 102 Adjustment	12	15	-	-
Tax losses carried forward	-	32	-	-
Deferred tax asset/(liability)	**1,382**	1,471	**(637)**	(507)

19. OTHER RESERVES

	Group 2023 £'000s	Group 2022 £'000s	Company 2023 £'000s	Company 2022 £'000s
At 1 January	47,089	49,457	-	-
Charged to income statement	(4,372)	(2,368)	-	-
Reserves transfer	(42,717)	-	-	-
At 31 December	**-**	47,089	**-**	-

In prior years other reserves represented the balance of consideration in respect of the sale of the LTA's holding in The All-England Lawn Tennis Ground PLC (AELTG) in 2013. In 2023 the balance in other reserves was transferred to retained earnings.

20. POST-EMPLOYMENT BENEFITS

The Group participates within the Local Government Pension Scheme (LGPS), which is a multi-employer funded defined benefit plan for qualifying employees, administered by Nottinghamshire County Council. The Group operates various defined contribution schemes for its other employees.

The amount recognised in the Statement of Comprehensive Income is as follows:

	Note	2023 £'000s	2022 £'000s
Defined benefit scheme			
- Current service cost	20(a)	42	-
Defined contribution scheme	20(b)	1,326	1,183
Total charge in operating profit		1,368	1,183
Defined benefit scheme			
- Net interest expense	20(a)	-	-
- Remeasurement of net defined benefit obligation		40	-
Total charge		**1,408**	1,183

20. POST-EMPLOYMENT BENEFITS (CONTINUED)

20a. Defined benefit scheme

The pension scheme assets are held in separate trustee administered funds to meet the long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interest of the fund's beneficiaries, which includes management of risks and appropriate investment of the scheme assets to generate returns. The appointment of trustees to the fund is determined by the scheme's governing documents and are completely independent of the Group.

The scheme exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Contributions are set every 3 years as a result of the actuarial valuation of the Fund required by the Regulations. The current contributions are set at 26% of the Eligible Employees salary and the administering authority shall periodically review these contributions as a result of the actuarial valuation of the Fund required by the Regulations. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

A comprehensive actuarial valuation of the group pension scheme, using the projected unit credit method, was carried out at 31 December 2023 by Barnett Waddingham LLP, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	2023	2022
Expected rate of salary increases	3.75%	-
Expected rate of increase of pensions in payment	2.75%	-
Discount rate	4.65%	-
Rate of inflation	2.75%	-

The mortality assumptions used were as follows:

	2023 years	2022 years
Longevity at age 65 for current pensioners		
Men	20.4	-
Women	23.2	-
Longevity at age 65 for future pensioners		
Men	21.7	-
Women	24.7	-

20. POST-EMPLOYMENT BENEFITS (CONTINUED)

20a. Defined benefit scheme (continued)

Reconciliation of scheme assets and liabilities:

	Assets £'000	**Liabilities £'000**	**Total £'000**
At 1 January 2023	-	-	-
Adjustment to brought forward	677	(706)	(29)
Benefits paid	14	(14)	-
Employer contributions	61	-	61
Current service cost	-	(42)	(42)
Interest income / (expense)	34	(34)	-
Remeasurement gains / (losses)			
- Actuarial losses	-	(32)	(32)
- Return on plan assets excluding interest income	21	-	21
At 31 December 2023	**807**	**(828)**	**(21)**

Total cost recognised as an expense:

	2023 £'000	2022 £'000
Current service cost	42	-
Interest cost	-	-
	42	-

No (2022: nil) amounts were included in the cost of assets. The Group expects to contribute £60,000 to the defined benefit pension scheme in 2024.

The fair value of the plan assets was:

	2023 £'000	2022 £'000
Equity instruments	654	-
Bonds	60	-
Property	93	-
	807	-

20. POST-EMPLOYMENT BENEFITS (CONTINUED)

20a. Defined benefit scheme (continued)

The plan assets do not include any of the group's financial instruments nor is any property occupied by any group entity.

The return on the plan assets was:

	2023 £'000	2022 £'000
Interest income	34	-
Return on plan assets less interest income	21	-
Total return on plan assets	**55**	-

20b. Defined contribution scheme

The group provides defined contribution schemes for other employees. The Group Money Purchase Personal Pension Plan (Money Purchase Scheme) 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 Company. All new contributions are paid into the Group Personal Pension Plan ('the scheme') or private personal pension plans. The scheme is funded by contributions from the LTA and its employees. Annual contributions to the scheme by the LTA are related to pensionable salaries. In 2014, the LTA auto enrolled its employees in accordance with the Pensions Act 2008. At 31 December 2023, 328 (2022: 329) employees were members of the scheme.

There were £183k of contributions outstanding at the year-end (2022: £nil).

Company

The Company had no post-employment benefits as at 31 December 2023 (2022: £nil).

21. FINANCIAL COMMITMENTS

At 31 December, the Group had future minimum lease payments under non-cancellable operating leases for assets, other than land and buildings, and other financial commitments as follows:

	2023 £'000s	2022 £'000s
Operating leases which expire:		
within one year	43	58
within two to five years	43	-
	86	58

In addition to the commitments under non-cancellable operating leases noted above, there are loans of £2.7m (2022: £3.3m) that have been approved for payment to places to play but have not yet been paid.

At 31 December 2023, the Company had no future minimum lease payments under non-cancellable operating leases for assets and other financial commitments.

22. CONTINGENT LIABILITIES

As disclosed in note 10 the Company has taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit of certain 100% owned subsidiaries. The Company guarantees the liabilities of the relevant companies at the end of the year until those liabilities have been settled in full. The contingent liability at the year-end was £28.6m (2022: £33.7m).

23. RELATED PARTY TRANSACTIONS

The Group has opted to take advantage of the exemption available in Section 33.1A of FRS 102 not to disclose transactions between Group entities that have been eliminated on consolidation.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £2.3m (2022: £1.9m).

David Lloyd Leisure Limited

David Lloyd Leisure Limited is deemed a related party by virtue of common directorship. Scott Lloyd is a Non-Executive Director of Deuce Acquisitions Limited which is the holding company of David Lloyd Leisure Limited. In 2023, the LTA received income of £95,990 (2022: £30) and incurred costs of £14,771 (2022: £13,640) from David Lloyd Leisure Limited. The balance owed by David Lloyd Leisure Limited at 31 December 2023 was £252 (2022: £nil).

The Championships

The LTA operates a joint arrangement under an agreement for the governance and operation of The Championships with the Club, AELTG and The All England Lawn Tennis Club (Wimbledon) Limited. In 2023 the Joint Management Committee of The Championships allocated 90% of the net surplus of The Championships to the LTA (2022: 90%) in line with the terms of the sale of the Ground Company effective 1 August 2013 which secured the 90% distribution of the net Championship surplus for the next 35 years. The LTA's share of the surplus of The Championships is based upon the audited financial statements prepared to 31 July 2022 and 2023. The gross surplus of The Championships amounted to £49.3m (2022: £43.0m). The increase in the distributable surplus in 2023 was due to improved financial performance at the Championships. Net of withholding tax, the surplus receivable by the LTA amounted to £48.8m (2022: £42.4m). The amount due from The Championships at 31 December 2023 was £28.8m (2022: £25.8m). The costs of officiating services are charged to The Championships. This represents the LTA's work in partnership with the Association of British Tennis Officials to manage, supply and pay the umpires and other officials who work at The Championships each year. In 2023 the LTA recharged The Championships £1.9m (2022: £1.6m) for these services.

In 2023, LTA Operations Limited received cash of £5.3m (2022: £5.2m) from The Championships to help fund grass-court tournaments in the periods before and after The Championships. A further £0.4m (2022: £0.1m) was received from The Championships to support the grass court venues of the Men's ATP Challenger/Women's ITF Procircuit with prize money, as well as £0.7m (2022: £0.3m) distribution of sponsorship revenue. LTA Operations Limited purchased £1.2m (2022: £0.6m) of tickets at face value from The Championships for onward sale and distribution and £0.1m of court hire costs for the hosting of a junior international competition.

West Hants LTC

West Hants LTC is deemed a related party by virtue of its entitlement to appoint 2 joint directorships. Included within the Group's receivables is an asset entitled 'Tennis developments' which represent West Hants LTC's development funding of £3.0m (2022: £2.9m) repayable in equal instalments over the next 20 years.

24. ULTIMATE PARENT AND CONTROLLING PARTY

Lawn Tennis Association Limited is the ultimate parent undertaking and controlling party of the Group, as detailed in note 10.

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