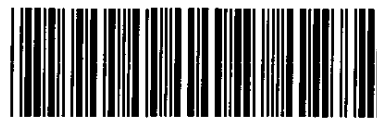

LTA SERVICES LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2019

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LTA SERVICES LIMITED

Company Information

Directors	M Corrie (resigned 25 September 2019) S Lloyd S Steele
Registered number	03260051
Registered office	National Tennis Centre 100 Priory Lane London SW15 5JQ

LTA SERVICES LIMITED

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LTA SERVICES LIMITED

**Strategic Report
For the Year Ended 31 December 2019**

The directors present their Strategic Report on the Company for the year ended 31 December 2019.

Business review

The profit for the financial year of £166,209 (2018: £149,887) was transferred to reserves.

Future development and performance

LTA Services Limited will continue to charge the LTA Group for manpower services on a consistent basis to the prior year.

Other key performance indicators ("KPIs")

Given the nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 22 July 2020 and signed on its behalf by:



S Lloyd
Director

LTA SERVICES LIMITED

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

LTA Services Limited qualifies for the exemption to audit under section 479A of the Companies Act 2006 for the year ending 31 December 2019. The liabilities of the company are guaranteed by the ultimate parent company and controlling party of the LTA Group, Lawn Tennis Associated Limited whose accounts are publicly available at Companies House.

Principal activity

The Company's principal activity is the provision of manpower services to the Lawn Tennis Association Limited Group (the "LTA Group").

Results and dividends

The profit for the year, after taxation, amounted to £166,209 (2018 - £149,887).

The directors recommend that no dividend is paid this year (2018: £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the LTA Group and are not managed separately. The financial statements of the LTA Group are publicly available and detail the principal risks and uncertainties in the report of directors.

Post balance sheet events

Covid-19 has been an event affecting the company since the year end as detailed in note 15, the company has determined that the events are non-adjusting subsequent events.

Employee consultation

LTA Services Limited places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting the performance of the LTA Group. This is achieved through formal and informal meetings, employee engagement surveys, employee consultation fora, monthly newsletters, weekly bulletins and staff surveys. Monthly 'All Colleague' meetings are held which afford everyone the opportunity to share information, hear about the organisations plans and progress and to ask questions.

Equality

The LTA Group is committed to making tennis accessible and open to everybody. 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. The LTA actively promotes equal opportunities in employment and aims to ensure everyone has an opportunity at the LTA, regardless of age, sex, race, nationality, ethnic origin, colour, sexual orientation, gender reassignment, pregnancy and maternity, marital status, religion or belief, ability or disability.

The safeguarding and protection of all those playing our sport remains a key priority for the LTA. In 2019 we made it mandatory for all coaches qualified at level 3 and above to be accredited if working at registered LTA venues, which is a significant achievement for the sport. Regional Safeguarding Officers led a process of safeguarding support visits at venues to ensure best practice is embedded and visited almost 700 venues in 2019. Safeguarding training is mandatory for accredited coaches, Welfare Officers and LTA colleagues, and all LTA colleagues are trained to a level 1 safeguarding standard. This work and more meant that we achieved a rating of 'excellent' from the NSPCC in our 2019 inspection – the highest possible level. We continue to progress our detailed safeguarding action plan which aims to ensure the LTA is leading the way in safeguarding in sport with the launch of a new augmented reality safeguarding tool in collaboration with Sport England in 2020.

LTA SERVICES LIMITED

Directors' Report (continued) For the Year Ended 31 December 2019

Directors

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. LTA Operations Limited purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its directors.

The directors who served during the year and to the date of signing this report were:

M Corrie (resigned 25 September 2019)
S Lloyd
S Steele

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 Company and of the surplus or deficit of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

This report was approved by the board on 22 July 2020 and signed on its behalf by:



S Steele
Director

LTA SERVICES LIMITED

**Statement of Income and Retained Earnings
For the Year Ended 31 December 2019**

	Note	2019 £	2018 £
Revenue		20,889,581	18,662,117
Operating expenses		(20,682,791)	(18,473,585)
Profit on ordinary activities before taxation	2	206,790	188,532
Tax on profit on ordinary activities	4	(40,581)	(38,645)
Profit for the financial year		<u>166,209</u>	<u>149,887</u>
Statement of retained earnings			
Retained earnings at 1 January		2,877,708	2,727,821
Profit for the financial year		166,209	149,887
Retained earnings at 31 December		<u>3,043,917</u>	<u>2,877,708</u>

All the operations in the current year and prior year were continuing.

The Company has no items of other comprehensive income or had any transactions with equity-holders between 1 January 2018 and 31 December 2019 so a Statement of Retained Earnings has therefore been presented in place of a Statement of Comprehensive Income and Statement of Changes in Equity.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and the historical cost equivalents for either 2019 or 2018.

The notes on pages 6 to 13 form part of these financial statements.

LTA SERVICES LIMITED
Registered number: 03260051

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Trade and other receivables - amounts falling due within one year	6	5,732,625	5,583,320
Cash and cash equivalents	7	135,052	390,042
		<u>5,867,677</u>	<u>5,973,362</u>
Trade and other payables - amounts falling due within one year	8	(2,823,660)	(3,095,554)
Net current assets		<u>3,044,017</u>	<u>2,877,808</u>
Total assets less current liabilities		<u>3,044,017</u>	<u>2,877,808</u>
Net assets		<u>3,044,017</u>	<u>2,877,808</u>
Capital and reserves			
Called up share capital	9	100	100
Retained earnings		3,043,917	2,877,708
		<u>3,044,017</u>	<u>2,877,808</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2020.



S Steele
Director

The notes on pages 6 to 13 form part of these financial statements.

LTA SERVICES LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

LTA Services Limited is a private company limited by share capital and is incorporated and domiciled in United Kingdom. The address of its registered office is National Tennis Centre, 100 Priory Lane, London, SW15 5JQ.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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.

The following principal accounting policies have been applied:

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Lawn Tennis Association Limited. The directors have received confirmation that Lawn Tennis Association Limited intends to support the Company for at least one year after these financial statements are signed.

1.3 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. 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 LTA Limited's financial statements, includes the Company's cash flows;
- from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

1.4 Revenue

Revenue, which excludes value added tax, consists entirely of revenue generated in the UK. It represents income from manpower services recharged to other group entities and Tennis Foundation. Revenue is recognised when the service is provided.

LTA SERVICES LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2019

1. Accounting policies (continued)

1.5 Operating leases: the Company as lessee

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

1.6 Financial instruments

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

(a) 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.

(b) 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. 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 expires. The company does not hold or issue derivative financial instruments.

LTA SERVICES LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2019

1. Accounting policies (continued)

1.6 Financial instruments (continued)

(c) 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 the 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.

1.7 Cash and cash equivalents

Cash and cash equivalents includes bank balances and short-term maturity deposits held at call. 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.

1.8 Current and deferred taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Taxation expense for the period 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 periods. 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.

1.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

There are no defined benefit pension obligations.

LTA SERVICES LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2019 £	2018 £
Other operating lease rentals	352,446	222,113

The directors received no remuneration in respect of their services to the Company during the year (2018: £nil). Directors' emoluments in relation to the LTA Group are disclosed in the group financial statements which are publicly available.

3. Employees

The aggregate amounts payable to employees of the Company was as follows:

	2019 £	2018 £
Wages and salaries	16,913,329	15,357,174
Social security costs	2,009,695	1,729,453
Other pension costs	1,006,540	907,346
	<u>19,929,564</u>	<u>17,993,973</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Participation	101	87
Performance	68	54
Commercial, major events and marketing	54	75
Business support and governance	56	66
	<u>279</u>	<u>282</u>

LTA SERVICES LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

4. Tax on profit on ordinary activities

	2019 £	2018 £
Current tax:		
UK Corporation tax on profits for the year	40,581	62,653
Adjustments in respect of previous years	-	(24,008)
	<u>40,581</u>	<u>38,645</u>
Total tax on profit on ordinary activities	<u><u>40,581</u></u>	<u><u>38,645</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>206,790</u>	<u>188,532</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	39,290	35,821
Effects of:		
Expense imputed or non-deductible for tax purposes	1,325	-
Adjustment in respect of previous years	(33)	2,824
Other differences leading to an increase (decrease) in the tax charge	(1)	-
Total current tax	<u><u>40,581</u></u>	<u><u>38,645</u></u>

5. Deferred taxation

	2019 £
At 1st January	24,008
Charged to profit or loss	(277)
At 31 December	<u><u>23,731</u></u>

LTA SERVICES LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

5. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Origination and reversal of timing differences	23,731	26,832
Impact of tax rate changes	-	(2,824)
	<u>23,731</u>	<u>24,008</u>

6. Trade receivables - amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	5,211,874	5,178,773
Amounts owed by The Tennis Foundation	-	191,826
Prepayments and accrued income	172,146	184,161
Trade Debtor	-	4,552
Other debtors	324,874	-
Deferred taxation	23,731	24,008
	<u>5,732,625</u>	<u>5,583,320</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	135,052	390,042
	<u>135,052</u>	<u>390,042</u>

LTA SERVICES LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

8. Trade and other payables: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	697,044	689,834
Corporation tax	40,304	62,653
Other creditors	-	808,645
Accruals and deferred income	2,086,312	1,534,422
	<u>2,823,660</u>	<u>3,095,554</u>

9. Called up share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

10. Pension commitments

The Company operates various defined contribution pension schemes for its employees. The LTA Group Money Purchase Pension Plan is closed for new contributions and members, but has assets which are held in a separate trustee administered fund. The trustees of the scheme are all officers of Lawn Tennis Association Limited. All new contributions are paid into the LTA Group Personal Pension Plan or private personal pension plans.

The pension plans are funded by contributions from the Company and the employees. Annual contributions to the schemes by the Company are related to pensionable salaries and length of service of employees. The total pension cost for the year amounted to £1,006,540 (2018: £907,346). Contributions of £nil (2018: £nil) were outstanding at the year end.

11. Reconciliation of movements in equity

	2019 £	2018 £
At 1 January	2,877,708	2,727,821
Profit for the financial year	166,209	149,887
At 31 December	<u>3,043,917</u>	<u>2,877,708</u>

LTA SERVICES LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2019

12. Financial commitments

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	2,747	-
	<u>2,747</u>	<u>-</u>

13. Related party transactions

On 1 January 2019, the operations of The Tennis Foundation (TF) were integrated with those of the LTA. An agreement was previously in place under which the LTA and TF ran a number of programmes in partnership for the advancement of tennis across the areas of schools, juniors and tennis facilities. Currently, No employees (2018: 78) are employed jointly by The Tennis Foundation and LTA to administer these charitable programmes. During the year £nil (2018: £751,566) was charged to TF for these costs. The amount owed by TF at year end was £nil (2018: £191,827).

14. Controlling party

The Company's immediate parent undertaking is LTA Holdings Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is Lawn Tennis Association Limited, which is the parent undertaking and the smallest and largest group to consolidate these financial statements. Copies of the Lawn Tennis Association Limited financial statements are available from Companies House.

15. Non-adjusting event after the end of the reporting period

On 30 January 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak to be a public health emergency of international concern. The Company has determined that the events are non-adjusting subsequent events. Accordingly, the financial position and results for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic remains unclear at this time. However, the Directors have concluded that this uncertainty does not cast significant doubt upon the entity's ability to continue as a going concern.