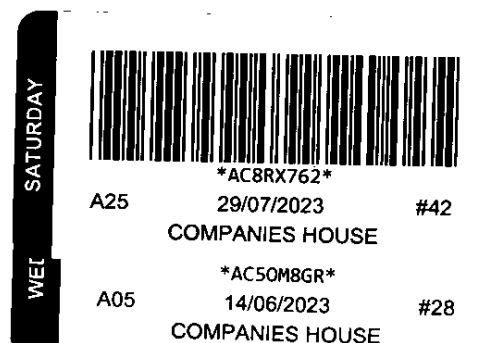


**LTA SERVICES LIMITED**

## For the Year Ended 31 December 2022



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**LTA SERVICES LIMITED**

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**Company Information**

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<b>Directors</b>	S Lloyd S Steele
<b>Registered number</b>	03260051
<b>Registered office</b>	National Tennis Centre 100 Priory Lane London SW15 5JQ

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## **LTA SERVICES LIMITED**

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**LTA SERVICES LIMITED**

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**Strategic Report**  
**For the Year Ended 31 December 2022**

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The directors present their Strategic Report on the Company for the year ended 31 December 2022.

**Business review**

The profit for the financial year of £221,462 (2021: £183,188) was transferred to reserves.

**Future development and performance**

LTA Services Limited will continue to charge the LTA Group for workforce 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 7 June 2023 and signed on its behalf by:



**S Lloyd**  
Director

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## **LTA SERVICES LIMITED**

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### **Directors' Report For the Year Ended 31 December 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

LTA Services Limited qualifies for the exemption to audit under section 479A of the Companies Act 2006 for the year ending 31 December 2022. 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 workforce services to the Lawn Tennis Association Limited Group (the "LTA Group").

#### **Results and dividends**

The surplus for the year, after taxation, amounted to £221,462 (2021 - £183,188).

The directors recommend that no dividend is paid this year (2021: £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.

#### **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 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 organisation's 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.

#### **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:

S Lloyd  
S Steele

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## LTA SERVICES LIMITED

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### Directors' Report (continued) For the Year Ended 31 December 2022

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#### 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.

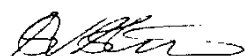
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 7 June 2023 and signed on its behalf by:



**S Steele**  
Director

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**LTA SERVICES LIMITED**

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**Statement of Income and Retained Earnings  
For the Year Ended 31 December 2022**

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	Note	2022 £	2021 £
Revenue		23,462,772	20,683,956
Operating expenses		(23,233,911)	(20,482,634)
<b>Profit on ordinary activities before taxation</b>	2	228,861	201,322
Tax on profit on ordinary activities	4	(7,399)	(18,134)
<b>Profit for the financial year</b>		<u>221,462</u>	<u>183,188</u>
<b>Statement of retained earnings</b>			
Retained earnings at 1 January		3,408,496	3,225,308
Profit for the financial year		221,462	183,188
<b>Retained earnings at 31 December</b>		<u>3,629,958</u>	<u>3,408,496</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 2021 and 31 December 2022 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 2022 or 2021.

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

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**LTA SERVICES LIMITED**  
**Registered number: 03260051**

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**Statement of Financial Position**  
**As at 31 December 2022**

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	Note	2022 £	2021 £
<b>Current assets</b>			
Trade and other receivables - amounts falling due within one year	6	7,108,808	6,428,169
Cash and cash equivalents	7	149,452	276,038
		<u>7,258,260</u>	<u>6,704,207</u>
Trade and other payables - amounts falling due within one year	8	(2,673,435)	(2,612,372)
<b>Net current assets</b>		<u>4,584,825</u>	<u>4,091,835</u>
<b>Total assets less current liabilities</b>		<u>4,584,825</u>	<u>4,091,835</u>
Other provisions		(954,767)	(683,239)
		<u>(954,767)</u>	<u>(683,239)</u>
<b>Net assets</b>		<u><u>3,630,058</u></u>	<u><u>3,408,596</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Retained earnings		3,629,958	3,408,496
		<u><u>3,630,058</u></u>	<u><u>3,408,596</u></u>


The directors considers that the Company is entitled to exemption from audit under the provisions of 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 the 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 7 June 2023 by:



**S Steele**  
Director

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



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## LTA SERVICES LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 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 England and Wales. The address of its registered office is National Tennis Centre, 100 Priory Lane, London, SW15 5JQ, England.

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

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lawn Tennis Association Limited as at 31st December 2022 and these financial statements may be obtained from Companies House.

##### 1.4 Revenue

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

##### 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.

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## LTA SERVICES LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 1. Accounting policies (continued)

##### 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.

###### (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.

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## **LTA SERVICES LIMITED**

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### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **1. Accounting policies (continued)**

##### **1.6 Financial instruments (continued)**

##### **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.

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## LTA SERVICES LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Profit on ordinary activities before taxation

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

	2022 £	2021 £
Other operating lease rentals	247,731	250,477

The directors received no remuneration in respect of their services to the Company during the year (2021: £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:

	2022 £	2021 £
Wages and salaries	19,200,072	17,273,410
Social security costs	2,347,507	2,078,465
Other pension costs	1,183,459	1,031,809
	<u>22,731,038</u>	<u>20,383,684</u>

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

	2022 No.	2021 No.
Participation	100	100
Performance	64	68
Commercial, major events and marketing	59	57
Business support and governance	103	87
	<u>326</u>	<u>312</u>

The Business support and governance headcount has increased by 16 primarily due to the acquisition of Nottingham Tennis Centre on 1 May 2022.

In addition to the average number of employees of 326, the average number of casual workers on the Flexible Talent Bank during 2022 was 18, reflecting the greater choice and flexibility the LTA is offering since the pandemic.

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**LTA SERVICES LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**4. Tax on profit on ordinary activities**

	2022 £	2021 £
<b>Current tax:</b>		
UK Corporation tax on profits for the year	7,399	18,134
	<u>7,399</u>	<u>18,134</u>
<b>Total tax on profit on ordinary activities</b>	<u><u>7,399</u></u>	<u><u>18,134</u></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>228,861</u>	<u>201,322</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	43,484	38,251
<b>Effects of:</b>		
Expense imputed or non-deductible for tax purposes	396	707
Adjustment in respect of previous years	15,560	(11,738)
Other differences leading to a decrease in the tax charge	(1,959)	(9,086)
Group relief	(50,082)	-
<b>Total current tax</b>	<u><u>7,399</u></u>	<u><u>18,134</u></u>

**5. Deferred taxation**

	2022 £
At 1st January	37,860
Charged to profit or loss	4,340
	<u>42,200</u>
<b>At 31 December</b>	<u><u>42,200</u></u>

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**LTA SERVICES LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**5. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2022 £	2021 £
Origination and reversal of timing differences	-	28,775
Impact of tax rate changes	-	9,086
Pension surplus	42,200	-
Adjustments in respect of prior years	-	(1)
	<u>42,200</u>	<u>37,860</u>

**6. Trade receivables - amounts falling due within one year**

	2022 £	2021 £
Amounts owed by group undertakings	7,011,584	6,374,172
Prepayments and accrued income	52,984	-
Other debtors	2,040	16,137
Deferred taxation	42,200	37,860
	<u>7,108,808</u>	<u>6,428,169</u>

**7. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	149,452	276,038
	<u>149,452</u>	<u>276,038</u>

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**LTA SERVICES LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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

	2022 £	2021 £
Trade creditors	-	3,011
Corporation tax	-	27,219
Other taxation and social security	739,669	676,283
Accruals and deferred income	1,933,766	1,905,859
	<u>2,673,435</u>	<u>2,612,372</u>

**9. Called up share capital**

	2022 £	2021 £
<b>Authorised, allotted, called up and fully paid</b>		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

**10. Provisions**

	Long-term incentive plan £
At 1 January 2022	683,239
Charged to profit or loss	271,528
<b>At 31 December 2022</b>	<u><u>954,767</u></u>

**11. 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 £1,183,459 (2021: £1,031,809). Contributions of £nil (2021: £nil) were outstanding at the year end.

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## LTA SERVICES LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 12. Reconciliation of movements in equity

	2022 £	2021 £
At 1 January	3,408,496	3,225,308
Profit for the financial year	221,462	183,188
<b>At 31 December</b>	<b>3,629,958</b>	<b>3,408,496</b>

#### 13. Financial commitments

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	48,031	233,995
Later than 1 year and not later than 5 years	-	71,113
	<b>48,031</b>	<b>305,108</b>

#### 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 Lawn Tennis Association Limited's financial statements are available from Companies House.