

ANNUAL

Report 2018



TENNIS
FOR BRITAIN

WELCOME

It is my pleasure to welcome you to the LTA's Annual Report for 2018.

We made significant progress in our work to grow tennis in Britain last year, the highlights of which are outlined in this report. As you will read in my introduction to the Finance and Governance Report, it was a year of transition for the LTA, where we laid down the foundations for our new long-term strategy published earlier this year.

I am proud to have been able to contribute to this work since commencing my role as Chairman in September. My appointment followed that of Scott Lloyd as our new CEO at the start of the year, forming a new leadership team for a new era for our sport.

Since taking up his position, Scott has led the organisation in developing and launching our new vision – tennis opened up. It's just three words, but it is now at the heart of everything we do and will set the direction for our work in 2019 and beyond.

They aren't just words either. We are truly passionate about turning our vision into reality, and are committed to achieving our long-term ambition of making tennis a sport that is for anyone – all ages, all backgrounds, and all abilities.



We won't achieve this overnight, and we can't do it on our own. Only by working with counties, clubs, and a whole range of individuals and organisations have we been able to make the progress highlighted in this document.

I hope you enjoy reading about what we achieved in 2018, and what we plan to in the future. Our thanks go to everyone who has contributed in any capacity, however big or small, and we look forward to that continuing as we work together to grow tennis for Britain.

L. Mervyn Davies

Lord Davies of Abersoch
Chairman





CONTENTS

Our Role	06
Our Challenge	10
Our Vision, Mission & Values	13
Our Strategic Plan	18
Our Work in 2018 – Building the foundations	22
Finance & Governance Report	73



OUR

Role

What we are here to do as the national governing body for tennis in Great Britain

OUR ROLE

The LTA is the national governing body for tennis in Great Britain. We've been around since 1888. A lot has changed since then, but what remains consistent is our passion for tennis and our desire to grow and develop the sport. Rather than profits, it is this passion and desire that drives us – as a not-for-profit organisation, our focus is on ensuring revenue is invested back into tennis and our work to deliver long-term benefit for the sport.

We don't own or control tennis courts across the country, nor do we employ the thousands of tennis coaches ourselves. What we do is work together with organisations and individuals at a local, regional, national and international level to achieve our goals.

“For me it's about protecting the grassroots of the sport... To make sure the sport still exists in a generation's time or a generation beyond that”

Colleague



As the governing body for tennis in Britain, what we are here to do falls into three broad areas.

Our role is to;

LEAD

Lead tennis in Britain to the highest standard, so it is a safe, welcoming and well run sport

As guardians of the game in Great Britain, it is our responsibility to set the strategic direction for tennis, and to operate a governance structure for counties, tennis venues and coaches that protects and safeguards our sport and all those involved. In doing so, it is our role to take the lead in bringing all the many stakeholders together for the collective benefit of our sport.

As the national governing body, we also act as the lead voice of tennis in this country, representing it at a national and international level – including representation on the Boards of both the ITF and Tennis Europe, and on the ATP and WTA Tournament Councils.

SUPPORT & DEVELOP

Support the sport and those involved in it to help them develop and thrive

We work to create more opportunities for anyone to enjoy being part of tennis, wherever they are from and however they want to get involved – supporting venues to grow participation and thrive, providing a competitive structure for the game and working with partners to invest in and develop the infrastructure across the country.

At an individual level, we support talented players to develop and maximise their potential to progress through our performance pathway, as well as supporting and training coaches right across the spectrum to develop their skills.

PROMOTE

Promote tennis in Britain at all levels, to inspire and engage fans and players

We love our sport, and so are here to shout about tennis, celebrating everything that is great about it from the grassroots to the elite level.

We showcase tennis on the national stage through hosting of world-class international tournaments, and celebrate the success of our leading players and our Great Britain teams to engage our millions of fans and inspire the next generation of players.



OUR *Challenge*

Developing a single vision for tennis in Britain

OUR Challenge

When I joined the LTA as CEO in January 2018 I launched an exercise to listen to the many views of people who are involved in tennis up and down the country.

Feedback was given to us by fans, coaches, volunteers, players and non-players more generally and we can't get away from the fact that tennis faces a battle to stay relevant in a world of almost limitless sport and leisure activities. Added to this, there is still a perception that tennis is costly, difficult to access and difficult to play, and that many of our 'tennis enthusiasts' think that tennis starts and ends with Wimbledon in July.

So last year we set about devising a strategy to bring the wider tennis family together behind a single vision for tennis in Britain - to open tennis up - which goes to the heart of some of the challenges we face. We also reviewed and amended the way we are organised, in order to have the most impact and grow tennis by making it more relevant, accessible, welcoming and enjoyable.

While 2018 was an incredibly busy year, in many ways our work was about laying the foundations and setting us up to deliver demonstrable progress against the vision, mission and five-year plan in these years to come.

This started with appointing a newly formed Executive Team and the development and recruitment of a senior leadership team with real subject matter expertise in each area of delivery.

We undertook reviews of how we might create an overarching approach to our junior pathway



starting in schools, our approach to competition and ratings, and how we engage with our fans and what that might mean for British Tennis Membership. We have also sought to understand the learnings of the first year of the Transforming British Tennis Together investment programme and evolved our planned investment into facilities infrastructure so it is more targeted, with the aim of achieving greater pace and long-term sustainability.

In June we launched our 10-year performance strategy that sets out to nurture a diverse team of players, people and leaders which is a major step forward in terms of the thinking and approach to player development.

Significantly, we integrated the Tennis Foundation into the LTA. This is an incredible milestone and opportunity for our sport to become truly inclusive, and is very much in line with our vision of 'Tennis Opened Up' and there being a line of one through our sport.

We implemented mandatory, higher safeguarding standards across all our registered venues and successfully bid to host the first Fed Cup tie in this country in over 25 years, investing in our Fed Cup team and taking tennis to new areas of the country.

We've done all this at a time when we have continued to deliver our day-to-day work, while assessing how we can do things better. It is this level of ambition that will drive our focus and work to open tennis up in 2019 and beyond.

Scott Lloyd
Chief Executive

"...last year we set about devising the strategy to bring the wider tennis family together behind a single vision for tennis in Britain..."

OUR VISION

TENNIS

Opened Up.



OUR MISSION

Our mission is to grow tennis by making it more relevant, accessible, welcoming and enjoyable to anyone who has an interest, from players of all abilities and backgrounds to its many millions of fans.

To help guide us in delivering our vision we have developed our mission – this identifies four areas, we call them ‘pillars’, that we need to focus on and improve to really open tennis up. These have been developed in line with the feedback from our research, from what people identified were issues with tennis today.

RELEVANT

The sports and activity market is being disrupted. New activities, classes and different formats of existing sports are constantly entering the market and making a big noise. Tennis is seen as traditional, old fashioned and reserved. To succeed it needs to be seen as modern, fresh and exciting.

ACCESSIBLE

All sports need to be accessible. If there are barriers to involvement people will go elsewhere. People have little knowledge of how to get involved with tennis and the barriers, both real and imagined, are high. Tennis needs to be seen as an easy sport for people to engage with. The process must be frictionless and available when you want it. Tennis on your terms.

WELCOMING

‘Will I belong?’ is a big question that everyone asks. Tennis is perceived as inward looking, elitist, and socially and technically intimidating. This image must be broken down; everyone is welcome in the tennis family whatever their age, ability or social background.

ENJOYABLE

Sport and exercise should be uplifting, positive and exciting. People have many options that attract attention and promise enjoyment. Tennis is viewed as a tough sport requiring commitment, dedication and a lot of hard work but it doesn’t have to be this way. The social side, the different formats and the exhilaration of playing are richly rewarding and hugely positive.

THE VALUES THAT GUIDE US

How we interact is important to all of us. We want to work together, with the same beliefs and principles; to be a true line of one through our sport.

We have identified four values that will guide us towards our vision:



TEAMWORK

We work together to grow tennis in Britain.



PASSION

We have an enthusiasm that makes everyone want to be part of what we do.



INTEGRITY

We take responsibility for our actions and do what is right.



EXCELLENCE

We continuously strive to be the best we can.



OUR

Strategic Plan

Turning the vision into reality

TURNING THE VISION INTO REALITY

We have developed our programme of action with input from all types of people with a stake in the future of tennis in Britain. It is based on seven core strategies. We have delivery plans for each with timelines, allocated resources, responsibilities and measurement criteria.



THE BIG

01/ VISIBILITY

Broaden relevance and increase visibility of tennis all year round to build engagement and participation with fans and players.

02/ INNOVATION

Innovate in the delivery of tennis to widen its appeal.

03/ INVESTMENT

Support community facilities and schools to increase the opportunities to play.

04/ ACCESSIBILITY

Make the customer journey to playing tennis easier and more accessible for anyone.

05/ ENGAGEMENT

Engage and collaborate with everyone involved in delivering tennis in Britain, particularly coaches and volunteers, to attract and maintain more people in the game.

06/ PERFORMANCE

Create a pathway for British champions that nurtures a diverse team of players, people and leaders.

07/ LEADERSHIP

Lead tennis in Britain to the highest standard so it is a safe, welcoming, well-run sport.



OUR WORK IN 2018

Building the foundations

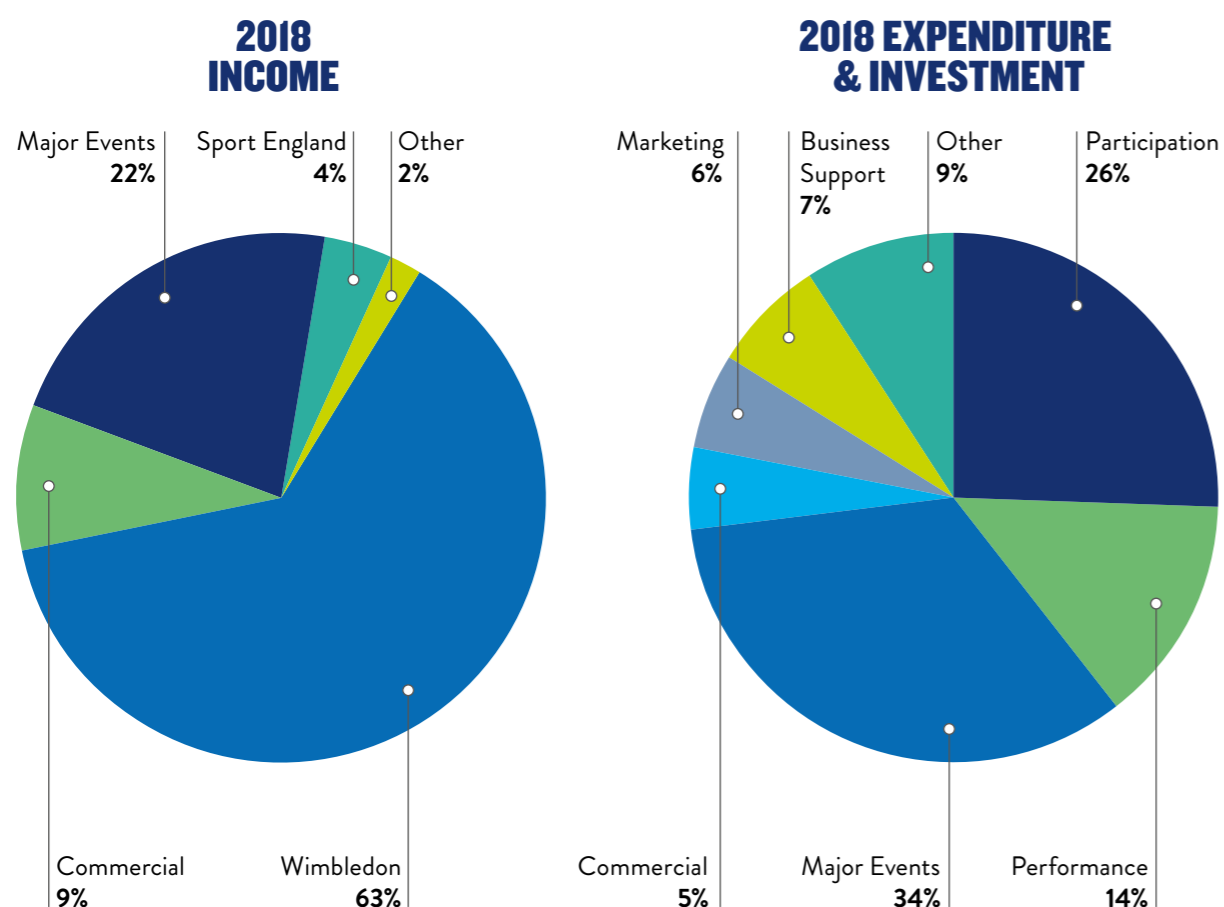
Our review of the progress we made in 2018 as we move into a new era for the LTA and tennis in Britain

OUR WORK IN 2018

Building the foundations

Ahead of launching our new long-term strategy this Spring, 2018 was a year of transition as we made the necessary changes to the structure of the LTA that would allow us to deliver on our future goals. It was about putting things in place and building the foundations for future success.

In that regard our achievements in 2018, the highlights of which are outlined in the following pages, stand us in good stead as we move into a new era for the LTA and tennis in Britain.



OUR INVESTMENT IN TENNIS

The LTA is a not-for-profit organisation. We invest the money we receive and generate through our activities back into tennis. As a result, the investment we make in tennis for Britain each year is significant, and 2018 was no different. Full details are provided in our Finance & Governance Report, but the charts opposite give an overview of both where the money we received came from and how it was used to help grow and develop the sport.

The majority of our income comes from The Championships, Wimbledon. This includes a 90% share of the distributable surplus from the tournament, provided as part of a long-term agreement until 2053 meaning the tremendous success of The Championships continues to make a significant contribution to the development of the sport throughout Great Britain.



Our own world-class major events form a core element of both our income and expenditure. Last year saw an increase in revenue generated by every one of our four major summer grass court events at The Queen's Club, Birmingham, Nottingham and Eastbourne. We invest significantly in staging these as part of our work to promote and showcase the sport, with all of them requiring substantial building of infrastructure and facilities on an annual basis. Our summer events form a grass court season in the lead up to Wimbledon, providing a platform to build the profile and visibility of tennis and engage fans.

“Last year saw an increase in revenue generated by every one of our four major summer grass court events...”



We increased our investment into performance last year with the roll-out of our new strategy to develop a pipeline of British tennis champions of the future. Growing participation however remains core to what we do – whether that is putting rackets in the hands of more children through Tennis for Kids, or our work to make community park tennis facilities sustainable and more accessible for local communities.

Our investment in tennis is spread across the whole of Britain, covering Wales, Scotland and our five English regions. We manage activity in the English regions directly ourselves, and make direct contributions to both Tennis Wales and Tennis Scotland as part of the delivery of tennis in those countries. On top of that, all nations and regions benefit from the central activity we undertake and funding we invest into the sport. While there are variations from year to year, at a national and regional level the investment we make to support and develop tennis across

the country is done so appropriate to need and broadly on a close to even per capita basis.

We took a strategic decision to continue to invest in key areas in 2018 to ensure we could build the foundations we needed to, rather than reduce spend to align with income, meaning we recorded a loss for the year. However, the overall loss also reflects a significant fall in the market value of our investments at the end of December 2018, following a downturn in the market in the last quarter of the year. The value of these varies depending on the state of the market at the point it is recorded, but they are part of a managed investment plan to build our assets over the long-term. What is important in the short term is that we plan to return an operating profit in 2019, and continue our work to invest our money back into tennis for Britain.

TENNIS FOR BRITAIN IN 2018

- 7 Regions & Nations
- 38 Counties
- Over 2,600 LTA Registered Venues
- 27 International Tournaments
- Nearly 5,000 LTA Accredited Coaches
- Nearly 1,000 Licensed Officials
- Estimated 25,000 Volunteers



LEAD

Our work to lead tennis in Britain to the highest standard, so it is a safe, welcoming and well-run sport

From recruiting new leaders for our most senior positions to developing a new long-term strategy, our work in 2018 has helped to pave the way for us to create a bright future for tennis in Britain. The following pages provide an overview of what were the key aspects of our work in 2018 delivered in our role of taking the lead for the sport in this country.



SHAPING THE FUTURE

New leadership for a new era of tennis in Britain

KEY ACHIEVEMENT

Development of a new vision for the sport and a restructured organisation ready to deliver it

Last year was a year of change at the top of tennis in Britain with two extremely high calibre appointments in our most senior roles. January saw Scott Lloyd take up his position as the LTA's new Chief Executive, bringing with him lifelong experience of, and passion for, tennis in Britain. Scott founded the health, fitness and racquets club group, Next Generation Clubs, in 1997 and was Chief Executive of David Lloyd Leisure from 2007 until 2015.

In May, we announced Mervyn Davies would take over as our new Chairman at the end of September. Mervyn is an experienced chairman, leading Boards in the commercial, not-for-profit, charitable and communications sectors. He also has broad experience in the sports industry as a non-executive director of World Rugby and former member of the Board of Tottenham Hotspur Football Club.

Our Board was further strengthened with the addition of three new Independent Non-Executive Directors being appointed over the course of 2018. The appointments of Rachel Baillache, Sara Bennison and Sir David Tanner provide significant experience and expertise to help us shape the future of the sport in this country.

Mervyn succeeded David Gregson as Chairman, who had held the role for the past six years. Our thanks go to both David and our former Independent Non-Executive Director, Richard Baker for everything they have contributed to our organisation.

At Executive level, we added the highly experienced Victoria O'Byrne (Communications Director) and Julie Porter, (Chief Operating Officer) to our leadership team. These key appointments increased the representation of



women on our Executive Team from 13% to 38%, reflecting our broader desire to attract and retain a diverse and gender-balanced workforce.

We published our first Gender Pay Gap report last year, and our commitment to reduce this included us agreeing partnerships with Mumsnet and ENEI, introducing new learning and development initiatives for women to aid their progression, and ensuring women are represented on shortlists and interview panels for all senior roles.

The leadership changes last year also coincided with what was the final year of the strategic plan we had in place. We took the opportunity this presented to take a fresh look at our approach and put in place a new long-term strategic direction for our sport.

At its heart is the 'Tennis Opened Up' vision for our sport, something we believe everyone involved with tennis can get behind. The development of this vision was a significant strategic exercise last year, and involved us listening to volunteers, coaches, colleagues, players, those who used to play, non-players, the media, sports commentators, tennis professionals and fans.

We heard some amazing things about our sport, but also some negative things. The overriding sentiment was that tennis in Britain had to change, and the vision we have created is what will drive us in delivering that change.

Beneath our vision we have developed a mission that will see us work to make tennis a sport that is relevant, accessible, welcoming and enjoyable for anyone. This is supported by a programme of action based on seven core strategies. We have delivery plans for each with timelines, allocated resources, responsibilities and measurement criteria.

This required a change in the way we do things. Having developed our new vision, mission and strategy, the final part of 2018 was therefore about restructuring our organisation and aligning our people and resources to enable us to best deliver against our new strategy. As part of this reorganisation, we brought in new talent to complement what we already had within the organisation. Our Colleagues are fundamental to us successfully delivering our new vision, and we are confident the team we now have in place provides the right mix of skills, abilities and passion for us to achieve it.

This was one of the most vital pieces of work we undertook last year, laying the foundations for what we want to achieve in 2019 and beyond.

SAFEGUARDING

A commitment to the highest standards

KEY PROGRESS:

New raised safeguarding standards implemented at 2,679 LTA registered venues

Nothing is more important than the safety and wellbeing of those involved in our sport, and so our most significant achievement of 2018 was unquestionably the implementation of measures to raise safeguarding standards at LTA registered venues – of which there are over 2,600.

Everyone should be able to enjoy tennis in a safe and inclusive environment. We all have a crucial role to play in keeping children and vulnerable adults safe from harm, and a responsibility to ensure safe and inclusive tennis environments – but as the governing body of the sport it is our responsibility to take the lead in driving this forward.

As a reflection of our total commitment to this, we have put safeguarding at the heart of what we do, moving the Safeguarding team from being a support function and embedding them as a central part of our Participation team. In keeping with that, we made the implementation of plans in this area one of our key business measures for 2018.

We had already made progress, with our Safeguarding system receiving the green light standard from the NSPCC's Child Protection in Sport Unit (CPSU) for the third year in a row last year.

Going beyond this, we have worked closely with Counties to enforce higher safeguarding standards nationwide. Every LTA registered club must now appoint a trained safeguarding officer and adhere to new safeguarding policies as a prerequisite to their annual registration with the LTA. We now also have a reporting standards document in place which sets clear direction for the reporting of cases, investigatory standards and information sharing protocols.

Only those venues that met these standards would retain their registered status in 2019. We reached our target of 80% of our registered venues meeting the new raised standards by the end of the registration period in November. By the end of the year we had achieved this at 99% of venues.

Our new Safeguarding team is led by a former member of the Met Police, David Humphrey, who has recruited a team of Regional Safeguarding Officers to implement a national audit and support process of registered venues to ensure the new raised standards are adhered to. Covering 30% of our venues each year, this is the most comprehensive process of this kind currently being undertaken by any sport in this country.

Alongside this, we also carried out an historic case review, as directed by DCMS, reviewing all safeguarding cases on our system, dating back to 1994. We hired independent safeguarding experts to carry out the review, with further investigation and action taken where appropriate.

Our Safeguarding system is audited by the NSPCC's Child Protection in Sport Unit (CPSU) every year, and in 2018 we received the green light standard for the third year in a row.

The work the LTA has done in this area follows a root and branch review of safeguarding in tennis, and the implementation of a new Safeguarding strategy. The progress we made in 2018 is a significant achievement that helps to make tennis the safe and inclusive sport it should be, and ensures the LTA is continuing to lead the way for safeguarding in sport.

PERFORMANCE STRATEGY

Setting new standards for player development

KEY PROGRESS:

Announcing our two new National Academies and a network of Regional and Local Player Development Centres as part of a new long-term Performance Strategy

The foundations of what is a step-change in the LTA's approach to developing a pipeline of future British tennis champions were laid in 2018. We announced the network of over 60 venues across the country that will play a crucial role in the LTA's new seamless player pathway for talent development, headed by two new National Academies at Loughborough University and the University of Stirling.

The announcements were the first major milestone in the LTA's new long-term Performance Strategy for tennis in Britain. Recognising that in the past we haven't always been consistent enough in our approach to player development, the new strategy addresses that. The 10-year plan focuses on making Great Britain one of the most respected nations in the world for player development by 2028, with a more immediate aim of helping five new singles players reach the world's top 100 by 2023.

The new player pathway provides a clear route from beginner's mini-red to major tournament success to support high potential junior players from the age of seven, playing the sport locally, to develop and progress into the world's top 100. It's specifically designed to enable the best British

players to regularly train and compete with one another at every stage of their development.

The pathway starts with affordable, high-quality local training for the youngest children and ends with a Pro-Scholarship Programme for those players with the greatest potential selected between the ages of 16 to 24 who are capable of reaching the world's top 100 and beyond. In between, players will have the opportunity to first pass through one of 50 Local Player Development Centres, progressing to one of 11 Regional Player Development Centres around the country, and then one of the two new National Academies.

To support this work, last year also saw the LTA form its first ever Performance Advisory Group, which will help us in continually reviewing and evolving the performance strategy. This panel of experts comprised of Jamie Delgado - coach to Andy Murray and former professional player; Clare Wood, a former British No.1; and Tim Henman, a four-time Wimbledon semi-finalist and former world No.4. The group will play a critical role in helping the LTA understand the perspective of aspiring players and better enable the Performance team to plan and deliver programmes that will allow talented players to fulfil their potential.

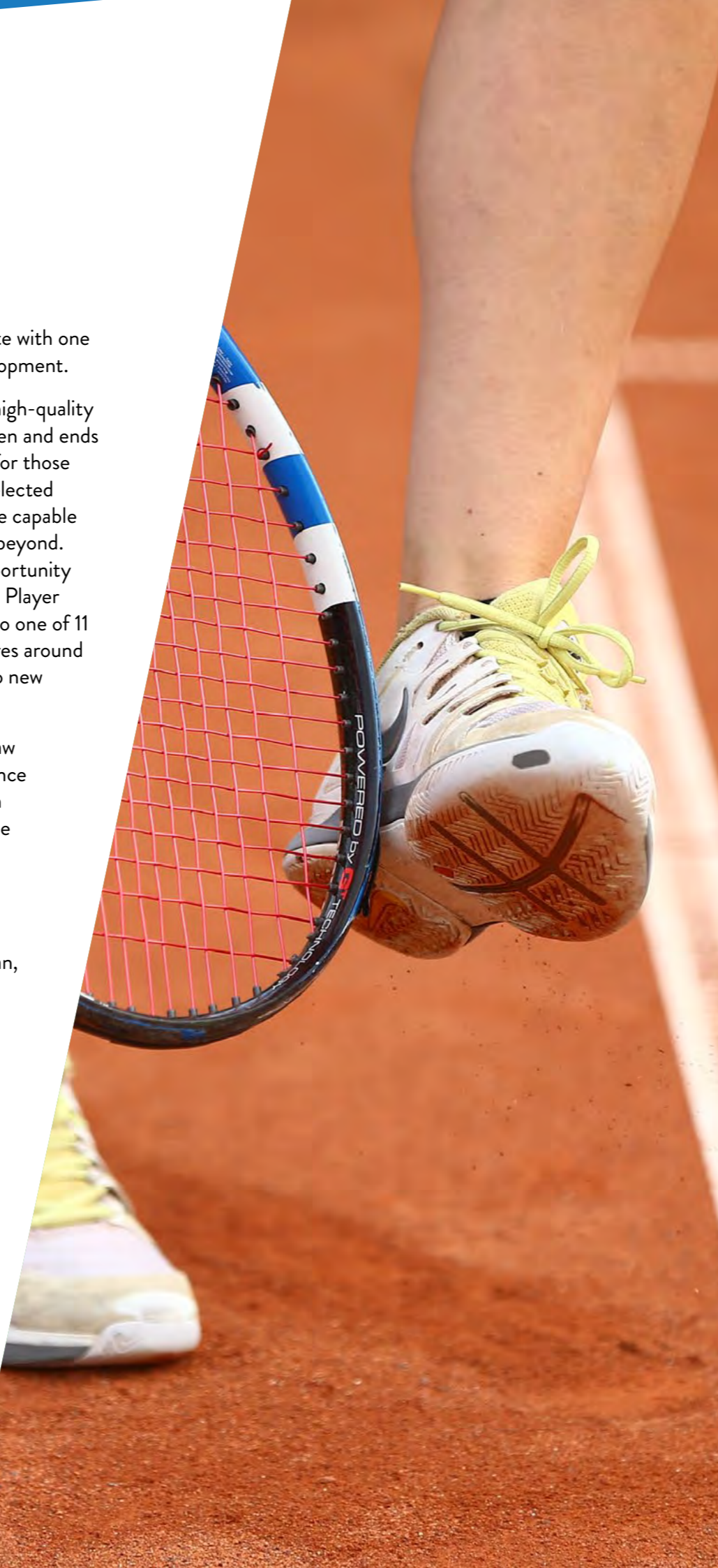
THE NATIONAL ACADEMIES

The National Academies – due to open in September 2019 – will set new, world-class standards for the holistic development of high-potential British players in pro-style, full-time, residential, training environments.

These programmes will nurture 13 to 18-year-olds (and sometimes younger) as people, players and performers. Players who demonstrate the greatest future potential in the sport will be selected and supported with world-class coaching, cutting-edge science and medicine, and welfare expertise, whilst also being provided with a first-class mainstream education up to at least GCSE-level.

The 11 Regional Player Development Centres are now open and are providing quality support to high potential junior players aged between 10 and 14, delivering the right coaching and athletic development for those aiming to progress to a National Academy.

The 50 new Local Player Development Centres are also now open and aim to create fun and exciting environments for young players aged 7-10 who aspire to compete at county and regional levels. They offer high quality, local daily training environments, which nurture the development of young people and players.



TENNIS FOUNDATION INTEGRATION

Unifying tennis in Britain to drive inclusion

KEY PROGRESS:

Successful integration of tennis activities for disabled people, young people in education and young people in disadvantaged communities into the LTA

A lot of work has been done by our sport in recent years to develop opportunities for disabled people, young people in education and young people in urban and disadvantaged communities to get involved in our sport.

Up until the end of 2018, the responsibility for delivering this activity lay with the Tennis Foundation, an independent charity to which the LTA provided funds each year.

The development of our new vision to open up tennis and grow the sport by making it relevant, accessible, welcoming and enjoyable aligned very closely with the work that was being undertaken by the Tennis Foundation. To take advantage of the unique opportunity this presented to drive inclusion across our sport, it was unanimously agreed by the Boards of both organisations to integrate the activities of the Foundation into the LTA.

Among the many highlights of the Tennis Foundation's work have been the establishment of one of the largest disability-specific sports programmes in the country, the outstanding success of Great Britain's disability tennis players on the international stage, supporting over 20,000 schools to deliver tennis to young people



“...to take the sport to new people and new places.”

and establishing the ground-breaking SERVES programme to take the sport to new people and new places.

The transfer of activities was completed at the end of 2018, following a detailed and comprehensive integration process. This presents an incredibly exciting opportunity for tennis, and we hope that this move will enable the LTA to build on the work the Tennis Foundation did and take it to the next level, with both greater scale and greater impact.

The Tennis Foundation itself will continue to exist as an entity. Following a decision passed at an EGM earlier this year, the LTA has become the sole member of the Tennis Foundation. Going forward, it is intended the Foundation will continue to contribute to tennis as a grant-giving entity, making grants that are in line with its charitable objects and the new vision of the LTA.

SUPPORT & DEVELOP

Supporting the sport and those involved in it to help them develop and thrive

At the heart of our progress in 2018 was our work to create more opportunities across England, Scotland and Wales for anyone to be part of tennis, however they want to get involved and whatever they want to achieve.

From supporting tennis venues to thrive to helping our most talented players progress, the following sections outline how the LTA and our Counties helped the sport and those involved in it grow and develop in 2018.

DRIVING PARTICIPATION

Targeted activity delivering results

Participation remains a challenge for many traditional sports, and that was reflected in a 9% fall in our overall monthly participation levels. As a national governing body we do not own tennis centres nor do we control the delivery point of tennis, and therefore addressing this decline remains our greatest challenge. Our new long-term strategy is designed to do that, but it is not something we can achieve on our own and it will require everyone in tennis working together as one.

However, while at a general level there remains a lot to be done, what our work in 2018 did show is that where we are undertaking targeted activity to drive participation, putting our focus on certain areas or delivering specific programmes, we are seeing successful results.

The leading examples of this are where we have focused efforts on supporting specific tennis venues, and the successful legacy programmes we launched to inspire the next generation of participants in tennis off the back of Andy Murray's historic 2013 Wimbledon win and the unforgettable Great Britain Davis Cup victory in 2015.

This proves the work we are doing and the investment we are making is delivering a difference, and provides learnings we can utilise moving forward in our work to grow the sport as a whole.

"...inspire the next generation of participants in tennis off the back of Andy Murray's historic 2013 Wimbledon win..."





WORKING TOGETHER WITH CLUBS TO GROW TENNIS

KEY PROGRESS:

Overall 7% growth in membership across targeted clubs

Tennis clubs are at the very heart of tennis in Britain. They can often be the representation of our sport in communities throughout the country. It is for that reason that one of the LTA's key tactics under our new long-term strategy is to support clubs to grow and retain membership, increase participation and be financially sustainable.

The foundations for that work going forward have been developed with our programme of activity supporting targeted clubs across the country. This activity saw the LTA work in close partnership with 139 tennis clubs in 2018.

We know that when we make direct and targeted interventions we can make a tangible difference, achieving an overall membership growth of 7% across all targeted clubs last year (against a target of 5% growth). Satisfaction among clubs of the support received was consistently high, with 91% of targeted clubs reporting they felt positive about the future.

The support we provided to targeted clubs last year was primarily around two core strands – firstly helping them to retain and better engage existing members, and secondly to attract new members. Activities such as improving the customer journey to enhance the new member experience, running 'member get member' campaigns and targeted marketing all contributed to successful membership growth.

Our work with targeted clubs has helped us to develop how best we expand and shape our support to more clubs in 2019 and beyond. Going forward, our aim is to ensure we provide clubs with the support they need, improving the base level support we provide to all clubs whilst continuing to provide additional support to those clubs that aspire to improve and develop.

DRIVING MORE PLAY IN PARKS

KEY PROGRESS:

56% growth in court hours booked across 234 targeted parks

Community tennis facilities, and particularly park courts, are vital in growing tennis participation and opening up our sport to many more people. Parks are a key access point for people into tennis. They can often be where new or infrequent players go to play, and it is these facilities that drive the spike in participation we see from the spring and into the summer months.

The LTA works with Local Authorities and court operators across the country to support tennis in parks. In 2018, we targeted over 200 parks spread across all regions – sites for which we delivered enhanced support, establishing strategic relationships with Local Authorities to build sustainable models of operation for their park courts. As part of this, we worked to improve the ease with which the local community could book

and access the courts – putting in place online court booking functionality and gate access systems for the court facilities themselves.

This strategic, collaborative and targeted approach to driving play in parks is working. Over the course of 2018, we saw the total court hours booked across these parks rise from 515,000 to over 800,000 – a 56% increase.

Our focus on parks tennis also sees the LTA collaborating with Tennis for Free, a community sports charity that provides free coach-led tennis sessions and free access to tennis courts in local parks around the UK. Tennis for Free targets all members of the community, but especially children from low income and workless families.

Last year 47 new Tennis for Free venues were added, helping over 12,000 people play tennis in 2018 with attendances at sessions totalling more than 41,000.



TENNIS FOR KIDS

KEY PROGRESS:

20% increase in participation with our highest ever conversion rate to tennis club membership and onto coaching programmes

The LTA's successful Tennis for Kids programme was created to inspire the next generation of players directly as a legacy of Great Britain winning the Davis Cup in 2015. To date over 60,000 children have already picked up a racket and learnt how to play tennis as part of the programme.

Last year saw some major enhancements to the programme, including extending the age range from 5-8 years to 4-11 years, and making the transition from a time-limited summer campaign to an 'always-on' introductory programme for kids to start playing tennis throughout the year.

To make the programme financially sustainable over the long-term, create value and increase conversion we delivered an enhanced package but also introduced a subsidised £25 participant charge. In return, alongside the coaching activity, each participant now receives a personalised t-shirt, three balls and a racket.

These changes helped us to make 2018 the most successful year of Tennis for Kids so far. We ran over 4,000 courses at 1,000 venues across England, Scotland and Wales, with more than 1,000 coaches involved in our 16 dedicated training days. As a result, participation increased by nearly 20% compared to 2017, with over 26,500 children learning to play tennis last year as a result of Tennis for Kids. Almost all of these children had played tennis no more than a few times before, with over half having never previously picked up a racket.

Crucially, we further increased the conversion rate of the programme to make it even more effective as a means of bringing more young people into our sport and keeping them involved. Having completed their Tennis for Kids six week course, 56% of participants went on to either join a tennis club or sign up to a regular tennis programme, meaning in 2018 Tennis for Kids created nearly 15,000 new regular young tennis players.





NATURE VALLEY TENNIS WEEKENDS

KEY PROGRESS:

Creating 19,000 new regular tennis players by opening up tennis venues to the community

Launched by the LTA in 2013 in recognition of Andy Murray's historic Wimbledon victory, this programme has proved successful enough to attract Nature Valley to come on board for 2019 as title sponsor.

The Nature Valley Big Tennis Weekends programme aims to attract new participants into the sport through free open days held at tennis venues across the country. Over 43,000 people

“We make it easy for venues to get involved...”

tried tennis thanks to the programme last year, with over 1,000 venues taking part.

We make it easy for venues to get involved, providing a range of free marketing resources as well as lots of advice and tips to help them get the most from their open day. The local activity of the venues is complemented with our country-wide marketing campaign to raise awareness of the weekends.

The programme has a track record in not only being impactful in attracting new people to tennis venues for the weekend open days themselves, but also being highly effective for converting attendees into a regular involvement.

Last year, an incredible 44% of open day attendees subsequently joined the venue as a member, with 43% of attendees signing up to join the venue's coaching programme. A total of 19,000 people therefore got started playing tennis on a regular basis last year as a direct result of the Nature Valley Big Tennis Weekends programme.

COMMUNITY INDOOR TENNIS CENTRES

KEY PROGRESS:

Royal recognition for 'world class' training programme

Last year was the first year the responsibility for supporting the network of 53 Community Indoor Tennis Centres across the country passed back to the LTA from the Tennis Foundation.

Community Indoor Tennis Centres play a crucial role in opening up the sport by providing opportunities for people in communities across Great Britain to play tennis all year round.

An integral part of our support for the centres is the provision of our cutting-edge 'Business of Tennis' management training programme, helping them not just to survive, but to thrive.

The training programme supports people in management roles at tennis centres to drive participation and improve financial performance, helping to deliver the long-

term sustainability of the Community Indoor Tennis Centre network. Featuring insight from world class business experts and industry leaders, the course is delivered over an eight month period, with each module designed to tackle key business development areas.

“...truly an exemplar of training and learning best practice...”

In recognition of this work, our Business of Tennis programme was last year named as a recipient of a prestigious Princess Royal Training Award, with the LTA presented with this by HRH The Princess Royal at a ceremony at St James's Palace in October. The letter confirming the award hailed the programme as 'truly an exemplar of training and learning best practice'.



TENNIS WORKFORCE

Providing support and development to help others contribute to the sport

The contribution of coaches, volunteers and officials will be central to the LTA achieving our future vision – tennis in Britain simply could not function without the work they put in throughout the year. Our work to support, develop and grow Britain's tennis workforce continued in 2018, helping them to help the sport thrive.

COACH ACCREDITATION & DEVELOPMENT

KEY PROGRESS:

Continuing to drive standards with a record number of LTA Accredited coaches

A key part of the LTA's work is supporting tennis coaches and empowering them to fulfil their potential.

A total of 2,950 coaches undertook an LTA coach qualification last year across Levels 1 to 5 in our qualification pathway, with us continuing to evolve both the content and delivery of courses.

New modules were launched in 2018 as part of our refreshed Level 2 content, while the LTA continued to invest in flexible and affordable professional development opportunities for coaches. Our new online module 'Digital Marketing for Coaches', which can be taken

"A key feature of the new approach has been the engagement of many of our former players..."

from the comfort of home, was well received, ahead of the development of further online courses for 2019.

At a Performance level, we made significant progress in developing the coaching workforce last year. The Level 4 Senior Performance Coach Award has been rewritten, key features have been refreshed, the curriculum aligned to our player development philosophy and a learning experience at an international junior tournament included. A key feature of the new approach has been the engagement of many of our former players, who are already coaching, with the formal education pathway.

Our calendar of professional development events for coaches continued last year, led by our flagship National Coaches Conference at the National Tennis Centre. With 400 delegates attending the two-day programme, the theme for the 2018 event was 'Transforming the player experience. The line-up included world-renowned experts in their respective fields, with keynote presentations in the areas of mental, physical, technical and tactical and business development.



Supporting the national conference was our series of Coach Forums, provide the coaching workforce with key industry updates linked to the LTA's projects and initiatives and on court sessions focussing on upskilling coaches to improve the attraction and retention of females within tennis. A total of 1,218 coaches attended these professional development events, which took place in 38 counties across the county including Scotland and Wales.

In addition, we provided specific CPD opportunities to the pool of 650 player pathway coaches that are part of the Performance system. These included four National Workshops

with Kenneth Bastiens and Louis Cayer, as well as Awareness of Standards events at various tournaments including the French Open Juniors, the Junior event at Wimbledon and the Junior Davis Cup and Fed Cup Finals in Budapest.

Whatever the level, the LTA's Coach Accreditation scheme drives standards in tennis by ensuring the coaching workforce are qualified and receive on-going training in key areas including safeguarding and first aid. Last year saw us reach a new all-time high for the number of LTA Accredited coaches, with the figure rising from 4,679 to 4,990.

Laying the foundations for our future work in this area, last year also saw us commission an independent review of coach education, development and support. The review explored the current challenges and opportunities in the current coaching landscape across qualifications, accreditation and the wider LTA offer for coaches, providing a number of recommendations for us to progress in 2019.





SHE RALLIES

KEY PROGRESS:

Over 550 She Rallies Activators delivering activity to engage more girls in tennis

Launched by the LTA and Judy Murray in 2017, 'She Rallies' aims to develop a female tennis workforce, inspiring and empowering them to create more opportunities for women and girls in tennis.

The ethos of the programme is about creating a positive movement, recruiting Ambassadors to drive workforce development in their local area. In turn, the Ambassadors train She Rallies Activators to deliver programmes designed specifically to appeal to girls.

Last year the LTA invested over £300,000 in She Rallies, including £100,000 on the provision of equipment bags. We had 52 Ambassadors active in 2018, with 1,200 Activators trained across almost 100 courses.

The programme enables the LTA to shine a spotlight on female participation and empowering women, with four regional She Rallies days held during the LTA's major events in 2018 helping to generate coverage around the women and girls agenda.

The passion and enthusiasm of those involved in She Rallies means more than 550 Activators had gone on to deliver activity by the end of the year. Feedback on the training and resources provided has been excellent, with Activators reporting that in delivering sessions they are enabling girls to develop skills and friendship – and most importantly have fun playing tennis.

VOLUNTEERS

KEY PROGRESS:

Providing support and resources to help an estimated 25,000 volunteers make an invaluable contribution to our sport

The passion, skills and experience that volunteers inject into tennis are an invaluable contribution to our sport – we simply would not be able to achieve our mission without them. The millions of hours our estimated 25,000 volunteers put in help us to open up tennis across clubs, counties and communities, as well as at events and competitions.

Last year, the LTA continued to provide volunteers with support and resources to help them in their role – through online toolkits, ClubSpark, funding advice and good practice guidance. On the ground, our regional team work in partnership with volunteers in clubs and counties throughout the country.



We know tennis is a much better sport because of what volunteers give to it, something we recognised last year by our colleagues and players making surprise phone calls to say thank you to hundreds of volunteers during National Volunteers Week. We also recognised the contribution of volunteers through the LTA Tennis Awards, and celebrated them at all of our major events.

“We know tennis is a much better sport because of what volunteers give to it...”

OFFICIALS

KEY PROGRESS:

Engaging over 300 officials across our national conference and regional workshops

Tennis competitions at any level could not function without officials and organisers. Nearly 1,000 licensed officials supported around 9,000 competitions across Britain last year – from our major events to fun local competitions.

Officials are integral to ensuring these events happen and are delivered in the spirit of fair play. The LTA works to grow, develop and support the pool of officials, and last year we held the second

National Officiating Conference for around 140 officials, and seven regional Referee Workshops which were attended by over 200 Referees.

On the international stage, Great Britain's gold badge umpires James Keothavong and Alison Hughes continued to set standards of excellence as two of the leading tennis officials in the world. Keothavong was selected as the umpire for both the 2018 men's singles final at Wimbledon and the women's singles final at Roland Garros, with Hughes selected for her first Grand Slam men's singles final at the US Open.



PERFORMANCE PLAYER SUPPORT

Helping more British players develop, progress and succeed

KEY PROGRESS:

Nine Pro-Scholarship Programmes
players achieving career high rankings

As part of our Player Pathway, the LTA supports those players with the most potential to develop, progress and succeed as professional tennis players on the international stage. This is done through our Pro-Scholarship Programme (PSP) and Elite Support provision, which form the final two steps of the Pro-Tour Stage of the Player Pathway.

The Pro-Scholarship Programme is designed as a stepping stone from junior to professional tennis and provides individually tailored support to enable players with the highest potential to reach the world's top 100 within 5 years.

Last year the LTA invested around £700,000 in supporting 13 PSP players, each of whom were assigned an LTA national coach to support them and their personal coach build and implement a robust individual development plan and track their progression. As well as financial support, PSP players are supported by the LTA's science and medicine team in all key disciplines – from medical to nutrition, physio, performance analysis and psychology.

Last year was a successful year for the programme, with two PSP players, Cameron Norrie and Katie Boulter, breaking into the world's top 100 for the first time. In total, nine of the 13 PSP supported players achieved career-high rankings in 2018, with eight different PSP players winning 15 professional tournament titles between them. If we compare PSP players against their international peers, six of the 13 were in the top six ranked players in the world last year among those born in the same year as them.

With successful progress in 2018, the LTA's PSP programme is continuing to build towards its goal of developing more British players who are competing at Tour level, and establishing a strong group of players eligible for selection for Great Britain's Davis and Fed Cup teams.

PSP Players to Achieve Career High Singles Rankings in 2018:

66	Cameron Norrie
92	Katie Boulter
162	Gabriella Taylor
163	Katie Swan
173	Jay Clarke
397	Francesca Jones
420	Jack Draper
498	Aiden McHugh
687	George Loffhagen

At the Elite level, the LTA provides a range of science, medicine and wellbeing support for the highest performing players who are targeting major tournament and Davis or Fed Cup success. Those players who have reached the world's top 100 in singles or top 32 in doubles are eligible to receive it.

Of players receiving this support, Kyle Edmund last year achieved a career high ranking of 14. Edmund also claimed his first ATP Tour title in Antwerp, while fellow Elite player Dan Evans was the Odlum Brown Van Open champion in Canada.

In terms of doubles, seven players were in the top 100 at the end of 2018, with four of these having achieved career-high rankings last year.

DOMESTIC COMPETITIONS

Providing competitive opportunities for all

KEY PROGRESS:

Over 200,000 people took part in recreational and national competitions last year

Tennis competitions provide opportunities for players of all levels to challenge themselves on a regular basis, and in doing so helping to forge a stronger involvement with our sport.

The LTA continued its investment in recreational and national competitions last year, establishing a structure that provides both formal and informal competitive opportunities for adults and juniors alike.

In total, we saw over 200,000 people take part in recreational and national competitions last year, with us supporting and delivering events such as County Championships, Local Tennis Leagues, Team Tennis, Team Challenge, The Road to Wimbledon and our Quorn Family Tennis Cup. Over 9,000 competitions were staged across the country, with the crucial and valued involvement of nearly 1,000 LTA Licensed Officials.

Aligning with our mission to make tennis relevant, accessible, welcoming and enjoyable, one of our priorities remains the continued development of Team Challenge. This once again achieved growth last year with almost 16,000 children taking part. Team Challenge is the LTA's fun, team competition, aimed at mini and junior tennis players who are new to competitive tennis. We know that playing with friends and in a team is a core motivation for children and young people to keep playing tennis, and Team Challenge continues to play a key role in facilitating that.

Our biggest team competition remains Team Tennis, which attracted a record number of participants in 2018. Team Tennis is a singles based team competition open for all LTA Registered Venues, providing players aged eight to adult with regular league matches, against similar standard players in a competitive team environment. Between Team Tennis and Team Tennis Schools – a programme of free nationally organised competitions for Secondary and Further Education pupils – we saw 40,000 people pick up a racket and compete for their teams.

It was particularly pleasing to see a large increase in the number of competitors in Country Championship events last year. Over 7,000 players took to the court in their quest for a County title in 2018, the biggest numbers for many years.

Tennis is a fantastic sport whatever your age. The LTA invested £90,000 in 2018 to support Seniors Tennis GB in promoting the game of tennis for players of all standards aged 35 years and over, and provide opportunities for seniors to compete.

At a domestic level, we were delighted to see increases in entries for both of the annual senior Inter County and Inter Club events, as well as the successful staging of the British Open Seniors Indoor and Clay Court Championships and the British Seniors' Closed Grass Court Championships. Thanks go to everyone involved in Seniors Tennis GB for their continued contribution to our sport and their passionate work to grow the game for seniors.



DISABILITY, EDUCATION & DISADVANTAGED COMMUNITIES

Making tennis inclusive and accessible for all people and communities

The LTA continued its support of the Tennis Foundation's work to make tennis a sport that is inclusive and accessible for all people and communities with a £4.4m donation in 2018. The charity's activities, which focused on its three primary beneficiary groups of disabled people, young people in education and young people in urban and disadvantaged communities, were then integrated into the LTA at the end of 2018.

We are proud to have contributed to the significant progress made in these areas under the charity's management – the highlights from last year of which are outlined here. These achievements provide a platform for us to now take these activities forward as part of our new vision to open up tennis and work to deliver them with even greater scale and impact.

DISABILITY TENNIS

Providing opportunities in tennis to anybody, with any disability

KEY PROGRESS:

Delivering one of the biggest disability-specific sports development programmes in the country

Last year was a record year for our programme of work to enable people with a disability or long-term health condition to pick up a racket and play tennis.

In terms of disability-specific sessions, 2018 saw a record 12,689 disabled people playing tennis on a monthly basis across the venues involved – a four-fold increase since the launch year in 2013, meaning it has grown to be one of the biggest disability-specific sports development programmes in the country. Over 500 venues across Great Britain now offer disability tennis sessions to their local community as part of the Sport England supported programme.

Almost 60% of monthly participants are players with a learning disability, with the remainder including wheelchair tennis players, blind or

partially sighted players and deaf or hearing impaired players. In addition, we are also branching out to work with people with long term health conditions. A specific focus last year was put on driving tennis sessions for people with a mental health problem, with these now accounting for 9% of monthly participants in the programme.

This growth in participation figures was also reflected by a huge uplift in the number of people entering our range of national and regional disability competitions last year, a key factor in helping to ensure people continue playing and develop their engagement with the sport.

Supporting disability-specific participation activity is just one strand of our work to make the health and social benefits of the sport open to disabled people. It sits alongside activity to make tennis more inclusive, supporting venues and coaches to open their doors and make tennis welcoming to disabled people whether they want to play, volunteer or coach.

KEY PROGRESS:

Reinforcing Britain's status as a leading nation for disability tennis

At an international level, the British Open Wheelchair Tennis Championships at Nottingham Tennis Centre was the most successful in the tournament's 29-year history. With the increasing profile of the sport, we saw a 156% increase in spectators on-site from 2017, together with expanded coverage streamed on the BBC Sport website. As part of the week we also staged a new Futures tournament, another successful junior event, delivered a schools programme involving 360 local pupils and held a 'come and try wheelchair tennis' event that engaged over 200 people.

Great Britain has built a reputation as being one of the most successful nations in the world for disability tennis, and this was further enhanced

in 2018. Alongside the success of our wheelchair tennis players at Grand Slams, on the UNIQLO Wheelchair Tennis World Tour and at the World Team Cup, we also saw medals and titles won by our leading deaf and blind or partially sighted players, and those with a learning disability.

We won silver at the World Deaf Tennis Team Championships, while 15-year-old Phoebe Suthers claimed her first senior international titles in lifting both the singles and doubles trophies at the 2018 Slovenia Deaf Open.

At the 2018 INAS World Tennis Championships for players with a learning disability, Great Britain won 10 medals, with Anna McBride Dominic Iannotti and Fabrice Higgins claiming world titles.

And finally, last year was a remarkable one for Great Britain's visually impaired tennis team, winning six out of a possible seven gold medals at the annual International Blind Tennis Tournament.



SERVES

Taking tennis and its benefits to new people and new places

KEY PROGRESS:

Delivering SERVES in over 200 venues, increasing the diversity of tennis participants and workforce

The SERVES programme takes tennis and its benefits right into the heart of disadvantaged communities, seeing it played by young people aged 8-18 in venues across the country as diverse as youth clubs, community centres, church halls, mosques and temples.

We expanded the programme significantly last year, growing delivery to over 200 venues. Working with strategic partners, we identify small, locally-led community groups that have roots in their community and know the needs of local young people.

We then provide these groups with the tools they need to deliver fun, informal tennis activity, and support them with training and investment to create a workforce of tennis activators recruited from the local community. We trained 370 new activators last year, the majority of whom had never previously taught, coached or led tennis sessions.

Last year also saw the successful launch of our SERVES Tennis Festivals. Events staged

in London, Leeds and Birmingham saw hundreds of young people from diverse community groups come together to enjoy fun tennis activities and competitions.

Once we've succeeded in getting young people in disadvantaged communities to engage through tennis, we can then talk to them about their lives, their aspirations and the challenges they face and offer them support that makes a real difference to their lives. Last year we further developed this social change part of the SERVES programme in adding a community cohesion strand to the existing elements covering health and self-confidence.

The success of SERVES was reflected in it being shortlisted for 'Community Programme of the Year' at the 2018 Sport Industry Awards. With the growth achieved since then, over 10,000 young people have now been engaged in the SERVES programme, with half of participants being from BAME groups and more than three quarters from the 30% most deprived communities in the country.

"...young people from diverse community groups come together to enjoy fun tennis activities and competitions."



EDUCATION

Building futures for young people in education on and off the court

KEY PROGRESS:

Award-winning resources helping schools deliver tennis

Learning to play tennis at school can start a lifelong love of the sport. It can also teach young people important life skills and help them realise their potential off the court too.

Our core schools tennis programme has now been delivered to over 22,000 schools across the country, helping to introduce tennis to children in a fun, inclusive and accessible way. We continued to support schools through the provision of our Schools Tennis Teacher Training courses in

the 2017/18 academic year, with nearly 2,000 teachers attending. The quality of resources we provide to schools to aid their delivery of tennis was recognised at the Education Resources Awards 2018 where we were named 'Supplier of the Year'.

For those schools that wish to take their delivery of tennis to the next level, our flagship School of Tennis programme provides funding, resources and support to enable them to design and deliver a tennis curriculum that best meets the needs of their pupils and wider school community. Last year we exceeded our targets with over 45,000 secondary school pupils playing the sport through the School of Tennis programme.

For the 2018/19 academic year, we also recruited 21 new schools in the programme, taking our total number of Schools of Tennis to over 100.

Last year was also another successful one for our Beyond the Baseline programme, run in partnership with the Youth Sport Trust. This programme uses tennis and a team of inspirational tennis mentors to nurture pupils' aspirations and put them on the path to achieving them. It sees former tennis professionals visit schools and work with small, targeted groups of pupils to plan, organise and deliver a tennis project. A total of 832 pupils took part in the programme last year, with those involved feeling that their aspirations increased. Beyond the Baseline was also found to have increased young peoples' resilience, motivation and confidence.



future tennis workforce, providing additional support, training and opportunities to help students secure a future career in tennis.

The investment that has been put in to university tennis and the development that has been made over the past decade, means Great Britain is developing a growing reputation as one of the leading nations in the world for university tennis.

Having won the Master U' title by defeating the USA in 2017, our Great Britain team backed this up with a silver medal in 2018 at what is the biggest annual student tennis team competition. The likes of Jonny O'Mara and Olivia Nicholls are former students at British universities, while world top 350 player Maia Lumsden is a student at the University of Stirling.

As a reflection of the current standard of British university tennis, last year's BUCS Individual Championship Finals boasted 22 current or previously ATP/WTA world-ranked players.

KEY PROGRESS:

Growing Britain's reputation as one of the leading nations in the world for university tennis

Universities play an increasingly important and impactful role in tennis in Britain, reflected by the wide-ranging support we provided the sector in 2018.

We expanded the number of our supported universities to 67, which together had over 6,000 student tennis club members – nearly 1,000 of whom had completed some form of volunteering, officiating or coaching.

The continued growth in participation at universities is in part facilitated by our University Tennis Ambassador and University Tennis Coordinator programmes, which sees students take on the role of driving tennis participation on campus. Building on this, our Student Tennis Network plays a role in helping to develop the



PROMOTE

Promoting tennis in Britain at all levels, to inspire and engage fans and players

With record crowds attending our major events, some outstanding performances by our leading British players and the announcement of our commitment to stage a home Fed Cup tie for the first time in 26 years, 2018 provided some fantastic opportunities to celebrate everything that is great about our sport from the grassroots to the elite level.



LTA TENNIS AWARDS

Celebrating outstanding contribution to our sport

KEY PROGRESS:

Record total of 1,460 nominations received across England, Scotland and Wales

The LTA Tennis Awards are a celebration of the people who go above and beyond to support our sport, from grassroots initiatives to Britain's biggest major events. Featuring fourteen categories and reflecting achievements in the 2017 calendar year, the awards recognise the people and places that help to make tennis the sport it is.

The Awards allow us to acknowledge the many thousands of inspirational individuals who dedicate their time and energy to tennis, recognising volunteers, coaches, officials and competition organisers. They also highlight the incredible achievements of a whole range of venues in growing and developing our sport, including schools, universities, clubs, parks and indoor tennis centres.

Launched in 2015, the Awards continue to go from strength to strength, with a record total of 1,460 nominations received across categories last year. Among these were many amazing stories that epitomise the huge passion that exists for the game, and highlight how tennis is making a real difference to people's lives in communities across Britain.

LTA TENNIS AWARDS

Roll of Honour

Outstanding Achievement	Helen Buckingham
Cathie Sabin Volunteer	Elaine Ball
Young Volunteer	Jess Barton
Coach	Ashley Neaves
Official	Robert Balmforth
Club	Skipton Tennis Centre
Disability Programme	Desford Tennis Club
Education Venue	Balcarras School
Competition	Cranleigh Grass Court Tennis Festival
Community Venue	Totton & Eling Tennis Centre
Women's Player	Johanna Konta
Men's Player	Cameron Norrie
Girls' Player	Katie Swan
Boys' Player	Jack Pinnington-Jones

MAJOR EVENTS

Delivering world-class sporting events for fans

We staged 27 professional tennis tournaments in Great Britain last year, providing opportunities for fans across the country to watch international tennis throughout the year.

At the centre of these was our set of summer grass court major events. We had a new look for these in 2018, with us welcoming on board new sponsors. Fever-Tree signed up as only the fourth ever title sponsors of our Championships at The

Queen's Club, while Nature Valley committed their backing to our tournaments in Nottingham, Birmingham and Eastbourne.

The new partnerships would prove to be just one element of what was a hugely successful grass court season. The LTA has a track record of delivering truly world-class sporting events, and we built on this yet again in achieving record attendances while still increasing customer satisfaction.

FEVER-TREE CHAMPIONSHIPS THE QUEEN'S CLUB

KEY PROGRESS:

Over 20 million people watching the action in 142 markets around the world

The Fever-Tree Championships is renowned for its history and heritage. It's one of the most highly rated tournaments on the ATP circuit, which is why the 2018 edition saw it set a new ATP 500 record with 18 of the top 30 players in the world entered.

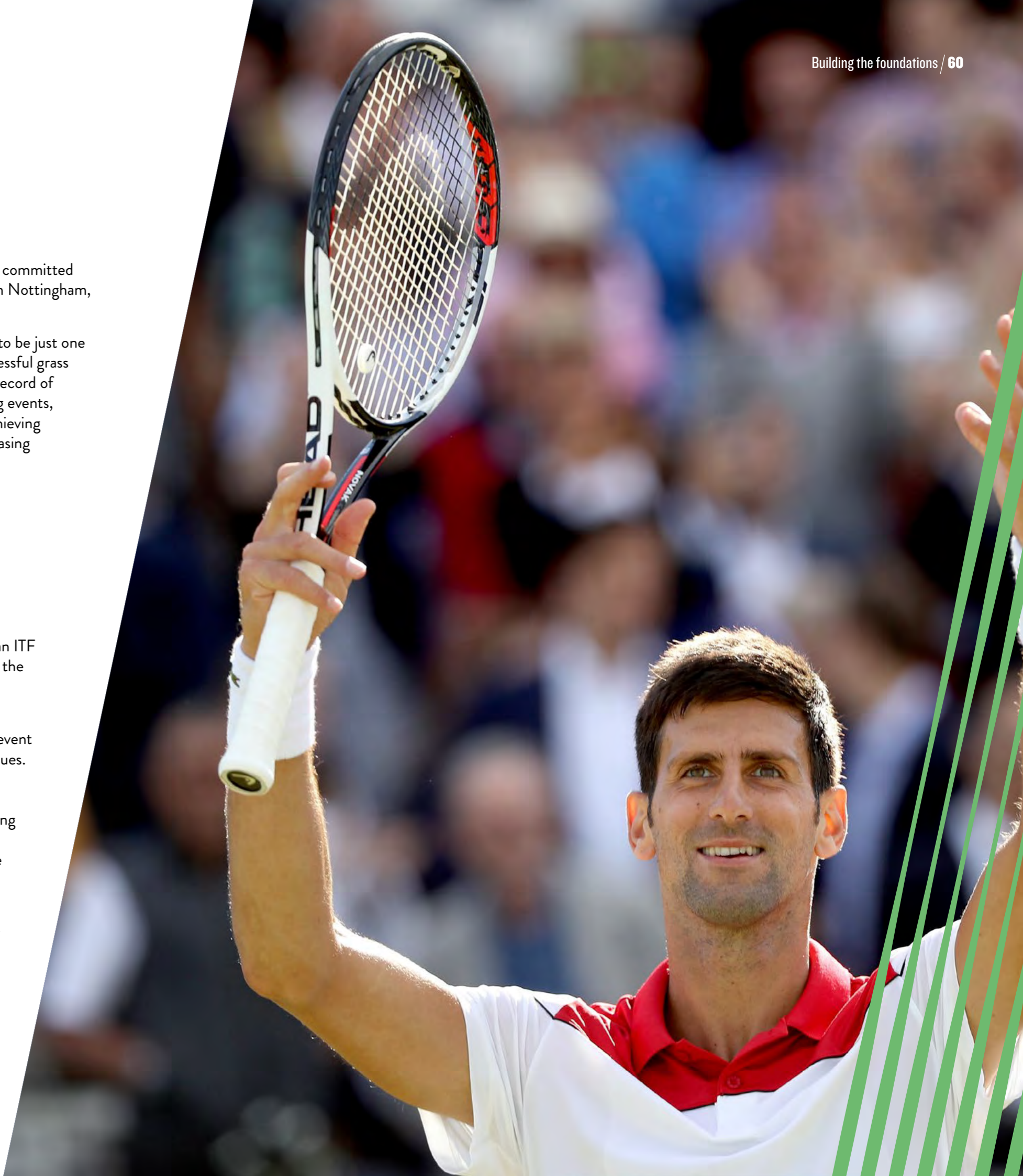
Those coming to watch the action were treated some memorable on court drama – the thrilling final that saw Marin Cilic defeat Novak Djokovic was the longest ever in the tournament's 134 editions.

Elsewhere around the grounds, the LTA staged the first ever wheelchair tennis tournament to be played during the event – an exhibition

competition ahead of what will be an ITF ranking tournament held alongside the 2019 Fever-Tree Championships.

Over 71,000 fans packed into the grounds across the week, with the event generating record hospitality revenues. A dedicated TV audience of 20.2 million watched on screens in 142 markets around the world – including on the BBC as we celebrated 40 years of their outstanding coverage of the event, as well as via our new broadcast partners Amazon Prime.

The accolades continued long after Cilic had lifted the famous trophy, with the event being named the ATP 500 Tournament of the Year and shortlisted for Event of the Year at the Sport Industry Awards.



NATURE VALLEY CLASSIC BIRMINGHAM

KEY PROGRESS:

New record ticket sales of nearly 15,000 people

Fine weather and a stellar player field saw record-breaking ticket sales in 2018. Attendances rose 4% on the previous record set in 2017 to 14,789, meaning more fans entered the grounds last year than ever before.

A thrilling singles tournament saw Petra Kvitova overcome a world-class player field to defend the title she won under emotional circumstances in 2017 and lift the historic Maud Watson Trophy for the second successive year. Kvitova will be back in Birmingham in 2019 and bidding to make it a hat trick of titles. Pam Shriver is the only other player to manage this feat.

There was far more to the event than the top class tennis on show from some of the world's best tennis players, with the event being used as a platform by the LTA to inspire children from schools across the city.

The LTA's Schools Roadshow in the build up to the tournament saw over 2,000 children participate in tennis and involved schools in Edgbaston, Handsworth, Gilbertstone and Sutton Coldfield. At the event itself, more than 1,500 local schoolchildren visited the tournament to get a taste of watching live tennis and having a go themselves in the Schools Zone. Top stars visited the Schools Zone during the week, while GB Fed Cup star Katie Boulter also took part in a Tennis for Kids session at Edgbaston Archery Club.



NATURE VALLEY OPEN NOTTINGHAM

KEY PROGRESS:

Record ticket sales and a hugely successful Family Fun Weekend

With overall attendance up once again at the Nature Valley Open, the tournament was once again the talk of Nottingham in 2018. We opened the week with our hugely successful Family Fun Weekend, achieving a 38% increase in ticket sales across the two days.

Our strongest ever player field meant crowds were treated to a thrilling week of tennis, and with a British player in every final we achieved sell-outs for the semi-finals and the final despite our increased centre court capacity. The on-court action culminated in an exhilarating centre court match between Australia's Ashleigh Barty and Great Britain's Johanna Konta. Unfortunately there was to be no home victory for the packed

crowd to cheer as Barty pulled off a 6-3 3-6 6-4 victory over the British No.1.

Elsewhere around the grounds, fans were treated to autograph signings from British stars Heather Watson, Liam Broady and Cameron Norrie, while children taking part in the LTA's Schools Tennis Festival at the event were treated to a coaching and signing session from international players.

The tournament gained extensive media coverage across local outlets, with the likes of BBC East Midlands Today and ITV Central presenting live segments from the venue, whilst BBC Radio Nottingham featured live interviews across the week in their mid-morning show.



NATURE VALLEY INTERNATIONAL EASTBOURNE

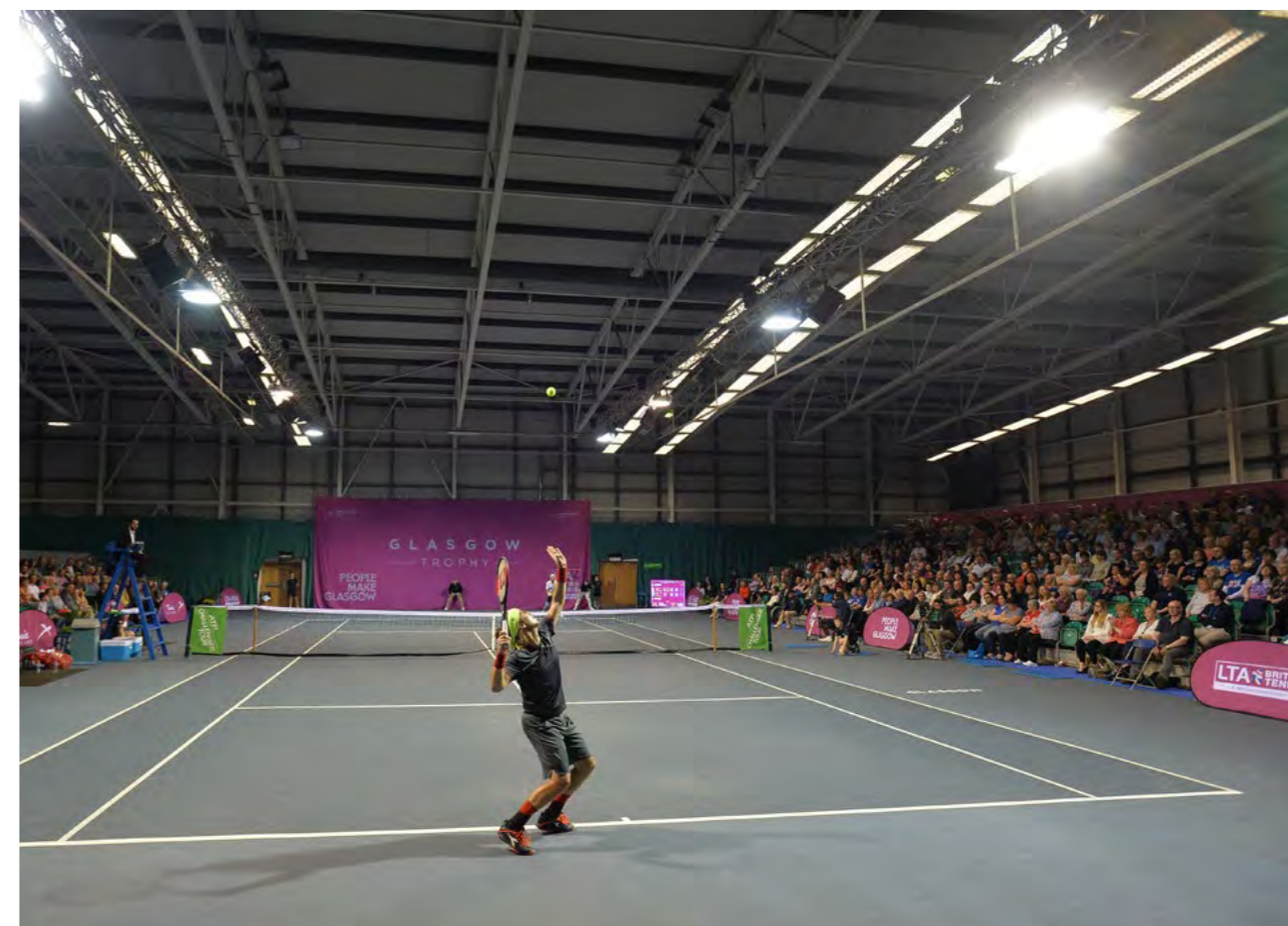
KEY PROGRESS:

Record-breaking attendances with show court sell-outs

Attendance was at an all-time high at the Nature Valley International last year, with a record-breaking 51,641 visitors on-site throughout the week – an 8% increase on 2017. The record for the biggest daily attendance in the history of the

tournament was also broken, with 7,193 people coming through the gates on the Thursday.

Off court, Andy Murray and Johanna Konta took part in photo shoots with the event Ball Kids, Katie Swan took part in a mock press conference with participants at a She Rallies event staged by the LTA and international stars Caroline Wozniacki and Denis Shapovalov helped with our promotion of the tournament.



PRO-SERIES AND TROPHY SERIES

KEY PROGRESS:

Providing opportunities for British players to compete at home and for fans around the country to watch professional tennis

Our four grass court Trophy Series events at Surbiton, Manchester, Ilkley, Southsea in the build up to Wimbledon attracted record ticket sales with over 19,000 fans attending. In total, 28 different top 100 players competed in at least one event in the Series, with Great Britain's Katie Boulter runner-up in Southsea and Luke Bambridge & Jonny O'Mara doubles winners at Surbiton.

Away from the grass court season, we invested over £300,000 in staging our GB Pro-Series of events. Taking place across the country and throughout the year, we held six men's and six women's tournaments attracting a mix of leading British names and international players.

In addition, we also delivered two ATP Challenger indoor events in Loughborough and Glasgow last Spring to support more opportunities for British players to compete at home.



BACK THE BRITS

From Grand Slam glory to Fed Cup heartbreak, 2018 was a roller-coaster ride for fans of British tennis players. Here's our recap of some of the memorable moments and significant achievements that helped to create the headlines and raise the profile of our sport.

ELITE PLAYER SUCCESS

KEY PROGRESS:

Most British women in main draw at Wimbledon for 17 years

The elite performance season saw British professional players collect trophies across every month of the year in 2018. Those successes were among many inspiring performances on the international stage from a broader base of British players, including new faces coming through to provide encouraging signs for the future. That point was emphasised at Wimbledon where there were eight British women in the main draw, the best representation in 17 years – driven by the career-high rankings of younger players such as Katie Boulter (breaking into the Top 100 by season's end), Harriet Dart, Katie Swan, Gabi Taylor and Katie Dunne.

The mixed doubles would provide much for British fans to cheer. Dart combined with Jay Clarke, who cracked the world's top 200 following his first ATP Challenger win last year, to thrill the Wimbledon crowds in reaching the semi-finals where they fell to former world No.1s and eventual runners-up Jamie Murray and Victoria Azarenka. Also capturing attention was British junior Jack Draper, who fell just short of becoming the first British Wimbledon boys' champion since 1962. That performance was a springboard for Draper to go on to claim back to back titles on the men's professional circuit in September, becoming the first 16-year-old to break into the world top 1000.

It was brilliant to see Andy Murray return to tennis on the famous grass at Queen's after almost a year out. He would go on to reach the last eight at Washington and Shenzhen, before ending his season as he continued to struggle with a hip injury that would ultimately require surgery. Like every tennis fan in Britain, we wish him well in his recovery and hope to see him back on court again soon.

Murray's successor as British No.1 was Yorkshire's Kyle Edmund, who started the year with a



breakthrough performance. Ranked No.49, Edmund reached the final four of the Australian Open, the third different British player in three years to do so at Melbourne Park. That result propelled him to a win over Novak Djokovic in Madrid and winning his first ATP singles title at Antwerp in October – and along with it a career-best No.14 ranking. On the women's side, British No.1 Johanna Konta showed flashes of brilliance in easily beating Naomi Osaka in the Fed Cup and Serena Williams (6-0, 6-1) in California, to become one of only two women to claim that double-victory in 2018. She also finished the year strongly with a WTA Premier semi-final in Moscow adding to her runner-up finish at the Nature Valley Open in Nottingham.

Another high point saw seven British men finish the year ranked No.65 or better on the ATP doubles rankings, the best of any nation. Jamie Murray performed the best, retaining his US Open mixed doubles title (his sixth major in doubles), reaching the final of the mixed-doubles at Wimbledon with Azarenka and winning the Cincinnati Masters with Bruno Soares.

Our wheelchair tennis players continued to build Britain's reputation as one of the leading nations in the world. At the Grand Slams, Gordon Reid and Alfie Hewett claimed doubles titles at both Wimbledon and the US Open, while Andy Lapthorne partnered USA's David Wagner to the US Open quad doubles title. There was Grand Slam glory in singles too, as Hewett added the US Open title to his collection. Earlier in the year, Hewett had achieved another milestone as the then- 20 year old became the youngest ever men's singles world No.1.

FED CUP

KEY PROGRESS:

Our commitment to bring the Fed Cup back to Britain for the first time in 26 years

Last year was yet another one of heartbreak for our Fed Cup team, and yet it was also a year that would pave the way for future success.

Great Britain began their 2018 Fed Cup campaign in February, with a mission to return to the Fed Cup World Group level for the first time since 1993.

Despite qualifying for the World Group II Play-Offs three times in 2012, 2013 and 2017, Great Britain had narrowly missed out on breaking into the elite group each time.

Captain Anne Keothavong selected Johanna Konta, Heather Watson, Anna Smith and Katie Boulter to kick things off in the Euro/Africa Zone I tournament round-robin in Estonia.

For the second year in a row, the team swept through the event, winning all of their ties and not conceding a single rubber. The opening victory against Portugal saw future Fed Cup star Boulter make her debut Fed Cup appearance alongside Smith in the doubles, while Johanna Konta and Heather Watson won all of their singles matches. Having defeated Portugal, Estonia and Hungary, our Great Britain team were then given an away draw against Japan for a shot at moving into World Group II level.

Keothavong's team of Konta, Watson, Smith and Gabriella Taylor travelled to Japan to play a nail-biting match. Konta was in fine form, winning both singles rubbers and in the process despatching Naomi Osaka in straight sets, a player who within a year would be world No.1. The tie went to the wire, but Great Britain's

hopes were ended in the final doubles rubber, with Japan sealing promotion with a 3-2 victory.

With a talented team having come so close once again, and with the prospect of having to attempt to navigate through a potentially arduous qualification stage in order to have another shot at reaching the World Group, we wanted to give the team the best chance possible by giving them home advantage. More broadly, staging a home event as part of what is the World Cup of women's tennis would enable us to put our Great Britain's women's team firmly on the sporting map, providing a platform for us to engage and inspire.

The LTA therefore put in a bid to co-host the Euro/Africa zonal stage in 2019. Our commitment to invest in doing this would mean for the first time in a generation a Great Britain Fed Cup team would compete on home soil – not since 1993 had that happened.

As part of our strategy to open up tennis by showcasing our women's team and bringing world-class tennis to new and existing British fans, we announced we would be taking the event and the thrill of international live tennis to the South West. Eight nations – including Great Britain – would compete at the world-class facilities of the University of Bath, in February of this year.

The investment we committed last year to the bid to bring the Fed Cup event to Britain would be the foundation for what would be an exhilarating 2019 for the LTA and our Fed Cup team. We would see record crowds cheering the team on to promotion both in Bath and later at East London's Copper Box Arena, captivating tennis fans around the country and helping us to get those in the local communities around the events to pick up a racket and play.





DAVIS CUP

KEY PROGRESS:

Using the Davis Cup as a platform to engage over 3,000 local schoolchildren in tennis and inspire fans across the country

2018's Davis Cup campaign was another great showcase for the passion, world-class talent and resilience of the nation's top players, while it once again provided a platform for us to promote tennis and engage more fans and players in our sport.

In February, our team of Kyle Edmund, Cameron Norrie, Liam Broady, Jamie Murray and Dom Inglot – led by captain Leon Smith – bid to reach their fifth World Group quarter-final in a row, against five-time champions Spain.

Whilst it wasn't meant to be this year, with the British team eventually falling 3-1 to Spain, the tie was set alight by Cameron Norrie. Making his Davis Cup debut, Norrie won a five-set thriller against Roberto Bautista Agut which was described by Andy Murray as 'one of the most amazing wins/results/upsets I've seen in a long time on a tennis court'.

In September the team was back in action to play against Uzbekistan for the first time in Davis Cup history. At stake was guaranteed seeding in the qualifying round for what will be a revamped Davis Cup competition in 2019. Murray, Inglot and Norrie were this time joined in Leon Smith's team by Dan Evans and Jay Clarke.

Scotland's Emirates Arena in Glasgow was selected by the LTA as the venue – the site of some famous Davis Cup victories played against the backdrop of an electrifying atmosphere created by passionate fans. Indeed, Glasgow has become synonymous with Great Britain's Davis Cup exploits in recent years, with the LTA staging 60% of home ties in the city over the last decade.

This was Great Britain's first Davis Cup home tie since 2016, giving us the chance to use the event to open up tennis to communities in the area. Ahead of the tie, the LTA invited over 3,000 local school children from over 60 schools around Glasgow, and North and South Lanarkshire, to watch a practice session and quiz the players during a Q&A. Local children also got the chance to join Great Britain Captain Leon Smith and the team on court to take part in activities from the LTA's flagship Tennis for Kids initiative.

All of the children who came along were offered a free pair of tickets for the tie by the LTA so they could watch Britain's tennis stars in action. Further tickets were also given to groups including local universities, coaches and children currently enrolled in training programmes.

For the tie itself, the team rose to the occasion (as did the fans), winning 3-1 with outstanding performances from Evans and Norrie in the singles, and a sensational doubles rubber from Inglot and Murray. The win guaranteed Great Britain a seeding in February's qualifying round for the new-look 2019 Davis Cup, although we were subsequently awarded a wild card by the ITF, sending us straight into the 2019 Davis Cup Finals in November.

GREAT BRITAIN ROLL OF HONOUR - 2018

Representing your country is one of the greatest honours in tennis. From our juniors to our world champion seniors, below we recognise the achievements of those who wore the Great Britain kit with distinction in 2018:

Fed Cup

Reached World Group II Play-Off:

Katie Boulter
Johanna Konta
Anna Smith
Gabriella Taylor
Heather Watson

Davis Cup

Retained World Group status:

Liam Broady
Jay Clarke
Kyle Edmund
Dan Evans
Dom Inglot
Jamie Murray
Cameron Norrie

Wheelchair Tennis World Team Cup

Men – Silver

Dermot Bailey
Alfie Hewett
Gordon Reid

Women – Bronze

Louise Hunt
Lauren Jones
Lucy Shuker

Quad – 4th

Antony Cotterill
Andy Lapthorne
James Shaw

Juniors – 7th

Ben Bartram
Abbie Breakwell
Alex Chaston
Dahnon Ward

Master U University Tennis

Silver

Jack Findel-Hawkins
Manisha Foster
Ben Jones
Maia Lumsden
Laura Sainsbury
Isaac Stoute

World Deaf Tennis Team Championships

Men – Silver

Lewis Fletcher
Esah Hayat

Women – 6th

Valerie Copenhagen
Phoebe Suthers

Seniors – World Championships

(Young Seniors / Seniors / Super Seniors)

TEAMS

Gold

Women's 75s
Jacqueline Boothman,
Frances MacLennan,
Felicity Thomas,
Jennifer Waggott

Silver

Women's 45s

Teresa Catlin, Barbara Griffiths, Michelle Oldham, Jo Shepherd

Women's 80s

Marcia Ackers, Alma Acourt, Sally Bealey, June Pearce

Bronze

Men's 35s

Barry Fulcher, Simon Dickson, Richard Bloomfield, Dan Cottier

Women's 40s

Leyla Ogan, Candida Reid-Harrop, Eildh Smith, Gilian Brown

Men's 45s

Sebastian Jackson, Ross Matheson, Timur Shadiev, Paul Scullard

Women's 60s

Sue Bartlett, Anne Clark, Patricia Peal, Patricia Wire

Women's 65s

Pauline Fisher, Marjory Love, Shirley Fox, Rosemary Wilson

Men's 85s

Gordon Oates, Leonard Lawrence, Tom Baron, Peter Ellison

INDIVIDUALS

Gold

Men's 60s doubles

Steve Alger

Men's 70s doubles

Chris Ornstien

Silver

Women's 65s doubles

Marjory Love & Rosemary Wilson

Mixed 65s doubles

Lillian Geey & Godfrey Evans

Bronze

Women's 65s doubles

Lillian Geey & Susan Winters

Women's 65s doubles

Pauline Fisher & Shirley Fox

Men's 65s doubles

Jasper Cooper & Andrew Stanley

Mixed 65s doubles

Pauline Fisher & Jasper Cooper

Women's 70s doubles

Phyllis Bentham

Men's 75s doubles

Norman Church

Mixed 75s doubles

Peter Friedman

Women's 80s singles

June Pearce

Men's 80s doubles

Derek Backhouse

Women's 80s doubles

Sally Beeley & June Pearce

Mixed 85s doubles

Gordon Oates

Men's 85s doubles

Tom Baron & Gordon Oates

International Blind Tennis Tournament

Gold

B1 Women

Rachel-Eve Morgan

B2 Women

Amanda Large

B3 Women

Janette Reynolds

B2 Men

James Currie

B3 Men

Paul Ryb

Open

Chris Baily

Silver

Open

Rosie Pybus

INAS World Tennis Championships (Learning Disability)

Gold

Women's Singles

Anna McBride

Men's Doubles

Fabrice Higgins & Dominic Iannotti

Mixed Doubles

Dominic Iannotti & Anna McBride

Silver

Men's Singles

Fabrice Higgins

Men's Team

Fabrice Higgins/
Dominic Iannotti

Bronze

Men's Team

Thomas Mellor/
Luke Turnbull

Junior Davis Cup Finals

8th

Felix Gill

Joel Pierleoni

Jack Pinnington-Jones



FINANCE & GOVERNANCE

Report 2018



TENNIS
FOR BRITAIN



CONTENTS

Introduction	04
Strategic Report	08
Finance Review	09
Principal Risks & Uncertainties, Key Performance Indicators and Future Developments	15
Directors' Report	18
Statement of Directors' Responsibilities in Respect of the Financial Statements	28
Independent Auditors' Report to the Members of the Lawn Tennis Association Limited	32
Group Financial Statements	38
Group Statement of Comprehensive Income	39
Group Statement of Financial Position	40
Company Statement of Financial Position	41
Group and Company Statements of Changes in Equity	42
Group Statement of Cash Flows	43
Notes to the Financial Statements	44



INTRODUCTION

INTRODUCTION

Welcome to the LTA's Finance and Governance Report for 2018, my first as Chairman. It was a great honour to be appointed to this role last year, and I am excited to be a part of the work being done to take our sport forward



Last year was one of transition for the LTA. In addition to my appointment as Chair, Scott Lloyd commenced his role as Chief Executive Officer. Scott has since led the team in the development of our new vision, Tennis Opened Up, and a new mission to grow tennis by making it relevant, accessible, welcoming and enjoyable.

As we work to turn this new vision into a reality, the past 12 months have been about laying the foundations and reorganising the LTA to deliver our new long-term strategy for tennis in Britain, which we published earlier this year.

In laying these foundations, we have made some significant progress. Last year saw us launch our new 10-year Performance Strategy which aims to make Great Britain one of the most respected nations in the world for player development, supported through two National Academies – to be commenced in September this year – and a network of regional and local player development centres.

We have delivered targeted investment in parks, all weather and indoor courts while grassroots programmes like Tennis for Kids saw thousands more children pick up a racket and get involved in tennis. We continue to drive the visibility of our sport to new audiences through our ongoing commitment to staging truly world-class major

events such as Davis Cup in Glasgow and successfully bidding in 2018 to host a Fed Cup home tie in Bath in 2019.

Our commitment to safeguarding has seen us continue to implement a sports industry-leading safeguarding strategy and ensure all our registered venues implement higher safeguarding standards as part of their annual registration.

The investment we made in these areas, and others, is set out in the following pages. It has provided a solid platform for us to build on, but it is only the beginning and there remains a lot to be done. I look forward to playing my own part in us achieving that, and helping to ensure that tennis in Britain is truly opened up to anyone.

Finally, on behalf of the LTA I'd like to recognise the work of two individuals who stepped down from our Board last year. My predecessor as Chairman, David Gregson, and Independent Non-Executive Director, Richard Baker both made a tremendous contribution to the organisation over a number of years – they depart with our sincere thanks and best wishes.

Mervyn Davies

Lord Davies of Abersoch
Chairman
8 May 2019





STRATEGIC

Report

FINANCIAL REVIEW

OVERVIEW

The Finance and Governance Report and financial statements of Lawn Tennis Association Limited (the “LTA”) are for the LTA and its subsidiaries (the “LTA Group”) for the year ended 31 December 2018 and details the financial investments made by the LTA Group in supporting the growth of tennis in Britain during the year.

Investment into the game is critical in supporting the LTA’s strategic priorities to deliver its new mission. Each year the LTA works to maximise the amount it invests into tennis in Britain with the aim of using this investment effectively to deliver its mission. Key considerations in determining the annual expenditure are whether an activity can be made financially sustainable over the long term and whether or not that expenditure helps achieve the LTA’s strategic priorities.

The LTA worked closely with The Tennis Foundation (“TF”), an independent charity (charity number – 298175) during 2018, to deliver jointly managed participation activity across education, disability development and community and as such the joint costs of providing these activities are included in this financial review. In 2018, the LTA donated £4.4m (2017: £7.4m) to the TF. During 2018, the TF was not part of the LTA Group and as such is not included in the LTA Group financial statements. The TF publishes its own financial statements that provide additional information on its remit and expenditure.

In creating a broader mission for tennis, the remit of the LTA now captures the scope and role of the TF. Therefore on 1 January 2019, the operations of the TF were integrated with those of the LTA as part of a wider restructure of operations to better align the organisation to deliver the LTA’s new strategy. The restructure and integration incurred exceptional costs identified in this report.

The integration of the TF’s operations is mutually beneficial as it allows the LTA to gain access to key skills and knowledge that the TF has while also providing a platform to scale-up the TF activities within the LTA structure – benefiting from deeper insight, a wider contact base and broader reach. On 18 March 2019, a vote was passed at an Extraordinary General Meeting of the TF for LTA Operations Limited to become its sole member.

In 2012, The LTA Trust was established as a registered charity (charity number 1148421) and a wholly owned subsidiary of the LTA. During the year, the control and governance arrangements in respect of The LTA Trust were reviewed in light of potential changes in the control and governance over the TF. As a result, the decision was taken that The LTA Trust should be consolidated in the LTA Group. As the indicators of control were the same in the prior year, 2017 has been restated on the same basis. The LTA Trust’s objectives, as approved by the Charity Commission, are to advance for the public benefit such charitable purposes associated with the game of tennis in any part of Great Britain, the Channel Islands and the Isle of Man that are consistent with the purposes of the LTA. During the year no donation was made from the LTA (2017: £nil).

The financial statements have been prepared under FRS 102 ‘the financial reporting standard applicable in the UK and Republic of Ireland’. The LTA Group 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 LTA Group’s primary objectives rather than providing a financial return to shareholders. As such, the LTA has applied the reporting exemptions applicable to public benefit entities under FRS 102.

FINANCIAL RESULTS

For the year ended 31 December 2018, the LTA Group’s revenue was £64.5m (2017: £60.6m) and operating expenditure was £70.8m (2017: £68.2m), generating an operating loss of £6.3m (2017: £7.5m loss).

The LTA Group generated investment income of £1.4m (2017: £1.8m) and a net loss on its investment portfolio of £3.6m (2017: £2.6m gain). Investments were revalued to fair value at 31 December 2018 in accordance with FRS 102.

A tax charge of £0.3m (2017: £0.4m) was incurred delivering a loss for the year of £8.8m (2017: £3.6m loss).

REVENUE

The LTA Group revenue increased during the year to £64.5m (2017: £60.6m).

An analysis of the LTA Group’s revenue is shown below:

	2018 £’000s	2017 £’000s	Change £’000s	Change %
Revenue from the Wimbledon Championships	40,821	33,604	7,217	21%
Commercial	5,488	9,551	(4,063)	(43%)
Major Events	14,295	13,363	932	7%
Sport England Revenue Grant	2,535	2,833	(298)	(11%)
Other Revenue	1,340	1,287	53	4%
Total LTA revenue	64,479	60,638	3,841	6%

Revenue from the Wimbledon Championships

The £40.8m (2017: £33.6m) revenue from the Wimbledon Championships includes £37.8m (2017: 30.6m) annual surplus, representing 90% (2017: 90%) of the distributable surplus; £1.0m (2017: £1.0m) in support of the summer grass court season; £1.3m (2017: £1.3m) for the management and supply of umpires and other officials in partnership with the Association of British Tennis Officials; and £0.7m (2017: £0.7m) to gross up for withholding tax incurred at the Wimbledon Championship. The fall in the distributable surplus witnessed from 2016 to 2017 as a result of major structural works at The All England Lawn Tennis & Croquet Club (“AELTC” or the “Club”) was reversed in 2018 and is expected to see further growth in 2019. In addition there was no donation made from the surplus generated by the Wimbledon Championships to the TF following the agreement to integrate the TF’s activities into the LTA. This amount was allocated directly to the LTA Group in 2018 instead.

Although there remain risks and uncertainties on the absolute level of the Wimbledon Championships’ surplus in any given year, the long-term contract between the AELTC and the LTA in respect of the Wimbledon Championships has secured this income source until 2053.

Commercial revenues

The LTA's commercial activities produced £5.5m (2017: £9.6m) of revenue. The contracts with many lead sponsors such as Aegon, Nike and Wipro expired at the end of 2017 and though new agreements were put in place with Fever Tree, Nature Valley, Weston Cider, Adidas and Nyetimber amongst others, and a renewal with Highland Spring, there was a reduction in the overall level of commercial revenues during the year. The LTA is currently in negotiation in relation to further opportunities for both 2019 and beyond.

Major Events revenues

The revenue from the major events grew to £14.3m (2017: £13.4m). Notwithstanding the continuing difficult economic climate, the LTA's ATP and WTA summer grass court events at the Fever-Tree Championships (at The Queen's Club), the Nature Valley Classic (at Edgbaston Priory Club), Nature Valley International (at Eastbourne's Devonshire Park) and Nature Valley Open (at Nottingham Tennis Centre) successfully increased their revenues.

Sport England revenue

Sport England revenue grants of £2.5m (2017: £2.8m) reflected the first full year of the new four year agreement that began in April 2017. Though there was a modest reduction in grant funding from Sport England, this represented almost the entire total amount which was bid for.

Under the new Sport 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. Please note that some income streams relate to the previous funding cycle that ended in March 2017.

	2018 £'000s	2017 £'000s
Talent	774	896
Disability	676	669
Club & Commercial	-	117
Community	-	318
Education	-	67
Satellite Clubs	-	27
SERVES programme	602	335
Women & Girls	483	404
Total spend	2,535	2,833

The LTA continues to work in partnership with Sport England in relation to developing its participation strategy and introducing the benefits of tennis throughout the community.

Other Revenue

Other revenue of £1.3m (2017: £1.3m) arises from a range of activities that the LTA oversees, including British Tennis Membership, coaching courses, other grants, National Tennis Centre income and programme funding.

OPERATING EXPENDITURE

The operating expenditure of the LTA Group for the 12 months ended 31 December 2018 was £70.8m (2017: £68.2m). This increase was primarily as a result of exceptional costs linked to an internal reorganisation to support the new strategy, planned increased investments in Performance as well as the additional costs of running Major Events during the year.

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

	2018 £'000s	2017 £'000s	Change	Change %
Direct operating expenditure				
Participation	18,317	19,398	(1,081)	(6%)
Performance	10,065	9,349	716	8%
Commercial, Major Events and Marketing	31,199	30,679	520	2%
Business Support	4,783	4,138	645	16%
Exceptional Items	1,862	-	1,862	n/a
Depreciation, amortisation and prepaid court time charge	3,768	3,350	418	12%
Capital Grants	820	1,266	(446)	(35%)
Total operating expenditure	70,814	68,180	2,634	4%

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

Investment in Participation: Getting more people playing tennis more often

Participation expenditure of £18.3m (2017: £19.4m) was on a wide range of initiatives across the LTA's strategic focus areas of clubs, communities, children and young people in partnership with the TF. Direct investment by the LTA was £13.9m (2017: £12.0m) supplemented by a donation to the TF of £4.4m (2017: £7.4m) in support of jointly managed activities and the TF's direct support of education and disability activities. Including TF direct expenditure, total expenditure on participation across the LTA and TF was £21.7m (2017 £23.0m) which is analysed below.

£11.3m (2017: £12.6m) was invested in support of participation in community and club environments across an array of activities including safeguarding. The LTA continued to build on the successful Tennis for Kids programme launched in 2016 that provided lessons and equipment to over 26,000 (2017: 22,500) 5-8 year olds for a small fee of £25; increased the number of Local Authority framework agreements designed to open up park tennis courts to communities; and continued to support our registered clubs which are the backbone of British tennis.

£2.7m (2017: £2.1m) was invested in recreational and national competitions to establish a structure that provides both formal and informal competition for adults and juniors.

Recreational competitions such as The Quorn Family Tennis Cup and Team Tennis operated during 2018 alongside our partnership with Local Tennis Leagues, which continued to be a success with the number of leagues increasing from 175 in 2017 to 193 in 2018. £1.4m (2017: £1.6m) was invested across the full spectrum of coaching qualifications from level 1 to master club level, coach workshops and the Coach Accreditation Scheme.

£6.3m (2017: £6.7m) was invested in tennis for disabled people, tennis in education and tennis in communities. This included £1.4m (2017: £1.6m) invested in education with the Schools Tennis programme continuing to grow. 1,921 teachers (2017: 1,940) have attended a Schools Tennis Teacher Training course. A further £4.9m (2017: £5.1m) was invested in disability development, disability events and disability performance as well as the SERVES community programme. The TF supported 503 (2017: 380) venues across Great Britain with funding, equipment and training to enable more disabled people to play tennis. In addition to hosting seven wheelchair ITF events, following consultation with players, parents and carers to understand players' needs, bespoke competition offers were created for each impairment group that the TF works with. 2018 was another successful year for disability performance with 23 titles won on the ITF Wheelchair Tennis Tour.

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 with the ability to achieve the performance targets set.

At the outset of 2018 the LTA launched its new Performance Strategy. This is a ten year vision for the LTA that aims to make Great Britain one of the most respected nations in the world for player development. The new long-term strategy will address the relative lack of high potential juniors and aspiring young professional players in or around the ATP / WTA top 100 by creating a seamless Player Pathway that nurtures people, teams and leaders.

Since the launch of the new performance pathway the LTA increased its investment in performance to £10.1m (2017: £9.3m) as part of the roll out of the strategy throughout tennis centres across Great Britain.

Commercial, Major Events and Marketing

Commercial, Major Events and Marketing expenditure was £31.2m (2018: £30.7m).

Across the Major Event grass court calendar the LTA invested £18.8m (2017: £18.9m) to put on eight tournaments around the country.

In addition to the summer grass court season, £8.2m (2017: £6.3m) was invested in two Davis Cup ties (2017: two), two Fed cup ties (2017: two), the Nitto ATP World Tour Finals, officiating at the Wimbledon Championships and other major events and the cost of servicing sponsors.

Investment in marketing was £4.2m (2017: £5.5m) as the LTA works to continue to attract new participants to tennis through online activity.

Business support and depreciation

Expenditure on business support and depreciation increased to £8.6m (2017: £7.5m). Business support expenditure of £4.8m (2017: £4.1m) represents an increase to the net core business support costs required for the operation and governance of the LTA by project investment costs relating to upgrades of the technology infrastructure and legal fees. This covers the business support functions of HR, IT, Finance and Legal together with the costs of running the National Tennis Centre at Roehampton and the national governing body secretariat.

Exceptional Items

Exceptional expenditure of £1.9m (2017: £nil) included costs relating to staff restructuring costs and associated professional fees linked to the reorganisation.

Capital grants

Financial support to improve facilities is one key way the LTA helps venues thrive and attract new players. In 2018 we invested £0.8m of capital grants (2017: £1.3m) and £1.7m of loans (2017: £2.7m) in facilities. Partnership funding from applicants in support of

these projects amounted to £5.3m (2017: £8.2m). Funding in this area has slowed down while changes made to the LTA facility investment strategy become fully established.

Financial position

The LTA Group Statement of Financial Position remains strong with total equity of £161.4m (2017: £170.3m). This includes the assets of The LTA Trust and excludes the independently managed assets of the TF. The decrease in retained earnings is due to the loss for the year of £8.8m (2017: £3.6m loss). LTA Group reserves are in line with the reserves policy and leave the LTA Group able to carry out its strategic priorities going forward.

Intangible fixed assets of £2.6m (2017: £3.1m) primarily consist of The Queen's Club Championships ATP 500 sanction and capitalised software costs. The LTA acquired this sanction in 2014 at a cost of £2.1m following the upgrade of The Queen's Club Championships. This cost is being amortised over the life of the agreement to 2022 resulting in a net book value at 31 December 2018 of £1.0m (2017: £1.3m).

Facility improvements at LTA tournament sites (including The Queen's Club Championships site) that increase the future economic benefit of the tournaments have been reclassified from intangible to tangible fixed assets during the year, while software costs have been reclassified from tangible to intangible assets. These reclassifications provide a more accurate representation of the underlying assets.

Tangible fixed assets primarily comprise the investment in the National Tennis Centre. The decrease in net book value to £32.0m (2017: £33.3m) represents the depreciation charge for the year of £1.5m partially offset by additions and disposals during the year.

£66.2m (2017: £77.7m) is held in the LTA's investment portfolio in shares, bonds and other assets by external investment managers and reflects the Board's decision to hold free reserves to cover long term working capital requirements and a possible (but not anticipated) interruption in the LTA Group's annual income. As at 31

December 2018, external investments were revalued to fair value in accordance with FRS 102.

The overall trade and other receivables falling due within one year have decreased slightly to £41.4m (2017: £41.9m). The fall is mainly attributable to a decrease of £0.4m in prepayments and accrued income to £2.9m (2017: £3.3m). The largest debtor balance is amounts owing from AELTC of £32.8m (2017: £33.6m).

Trade and other receivables falling due after more than one year have decreased to £20.4m (2017: £21.1m) mainly due to a decrease in prepayments and accrued income of £1.0m to £6.5m (£7.5m). Concessionary loans are interest free loans to clubs, indoor facilities, parks and schools to improve tennis facilities that are repayable over 10 years. Tennis developments represent West Hants LTC development funding of £3.2m (2017: £3.4m) repayable in equal instalments over the next 22 years. The net movement of concessionary loans falling due after one year was a decrease of £0.4m to £8.9m (2017: £9.3m).

Trade and other payables – amounts falling due within the year has increased to £14.3m (2017: £12.1m). The main liabilities included in this balance are accruals and deferred income of £11.4m (2017: £11.0m) which include capital grant commitments to club venues of £2.3m (2017: £2.3m) and deferred income of £1.8m (2017: £1.1m) relating to future ticket sales and British Tennis Membership.

Cash flows

During 2018 there was a net cash outflow from operating activities of £4.9m (2017: outflow £6.5m) and a net cash inflow of £12.8m (2017: inflow £4.0m) from investing activities. This resulted in a net cash increase of £7.9m (2017: decrease £2.5m) for the year.



Simon Steele
Finance Director
8 May 2019

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 its key stakeholders, enhance the quality of decision making, and assist in the safeguarding of LTA assets, including people, finances, property and reputation.

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 Group 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 residual potential risk, size of delay between 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 that are involved in our sport being our very highest priority. With our new Safeguarding Strategy and expanded

team in place to deliver it, alongside the existing controls provided by our independent Safeguarding Committee and regular updates to the Board and Executive, we believe we are taking all necessary steps to mitigate this risk.

A key business risk relates to the certainty of future revenue streams, notably from the Wimbledon Championships, Sport England and commercial partners. The risk of non-receipt of revenue from the Wimbledon Championships is mitigated by a long term contract in place until 2053. Given the large contribution that the Wimbledon Championships makes to the LTA's total results, the LTA Group is still exposed to a potential loss of revenue in any single year due to cancellation or severe curtailment of the Wimbledon 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. There are isolated risks which are not insurable or capable of mitigation in relation to the Wimbledon Championships and also within the LTA organised major events that could have a material impact on revenue streams associated with these events but these are considered remote. The LTA maintains adequate cash balances and reserves to mitigate any short-term financial impact from these risks.

The LTA faces an element of credit risk in its on-going business relationship with major commercial partners. Risks are managed as part of on-going due diligence and credit management but cannot be completely mitigated.

The LTA Group holds investments in shares, hedge funds, fixed income products and corporate bonds as part of its overall investment strategy. The LTA Group has appointed independent specialist investment managers who manage the portfolio on the LTA's behalf in accordance with the agreed medium/low risk profile. However, it is recognised that any investment portfolio is subject to market fluctuations and external factors. The Investment Policy Statement was reviewed and approved by the Board in 2017 which resulted in a lower overall risk profile for the investment portfolio. The Investment Advisory Group, which consists of the Financial Director, one Board member and an independent investment advisor, 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 in subsequent years without breaching legal commitments.

The risk of non-delivery of our strategy and mission is mitigated through our commitment to working alongside all the people and organisations that share our mission including volunteers, coaches, players, local authorities, clubs, and other Grand Slam nations. We have a long term strategic plan and resources are allocated appropriately to deliver our 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

Each year the LTA sets business objectives to measure its performance in key areas. Participation remains a challenge for many

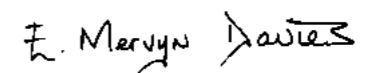
traditional sports, and that was reflected in a 9% fall in overall monthly participation levels (target +0.1%). However, targets for the focussed work the LTA is doing to drive participation were surpassed with a 7% growth in unique declared members in LTA focus clubs (target +5%) and a 56% increase in total court hours booked in LTA focus parks (target +15%). In 2018 the LTA surpassed its target of 80% of its registered venues meeting raised safeguarding standards with 99% of venues achieving this level. Under the LTA's new performance strategy, there was early progress made across the performance pathway following the launch of the LTA's new Performance Strategy with 79% of Pro-Scholarship Programme players on track (target 70%) at the end of 2018.

FUTURE DEVELOPMENTS

As the LTA moves into 2019, it is entering a new era for tennis in Britain. With the launch of the LTA's new long-term strategy this Spring, it is refocussing its efforts around a central vision, Tennis Opened Up. This will see the LTA working to grow the sport through making it relevant, accessible, welcoming and enjoyable to anyone who has an interest, from players of all abilities and backgrounds, to its many millions of fans.

There will also be new opportunities for the LTA to capitalise on, such as the integration of the TF's activities into the LTA. The charity's work around tennis for disabled people and for young people in education or urban and disadvantaged communities aligns very closely with the LTA's new vision. The integration of activities provides a real opportunity for the LTA to take them to the next level, delivering them with greater scale and greater impact.

The Strategic Report on pages 8 to 16 was approved and authorised for issue by the Board on 8 May 2019 and is signed on its behalf by:



Lord Davies of Abersoch
Chairman
8 May 2019



DIRECTORS' *Report*



DIRECTORS' REPORT

INTRODUCTION

The Directors present their report, the Strategic Report and the audited Group financial statements for the LTA and the LTA Group for the year ended 31 December 2018.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the LTA and the LTA Group have adequate resources to continue in operational existence for the foreseeable future.

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

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, gender, race, nationality, ethnic origin, colour, sexual orientation, gender reassignment, marital status, religion or belief, ability or disability.

Creating an inclusive tennis environment wherever people play tennis is of paramount importance to the LTA and we work in partnership with a wide range of organisations to achieve this. Inclusivity sits at the heart of the LTA's mission, helping to maintain a positive image for sport and enabling the organisation to reach a wide and diverse audience of potential new players.

SAFEGUARDING

The safeguarding and protection of all those playing our sport remains a key priority for the LTA. Over 2,600 (99%) of previously registered venues have now implemented raised standards, including a trained welfare officer, which is a significant achievement for the sport. Recently recruited Regional Safeguarding Officers lead on a new audit process which aims to audit 30% of venues a year to ensure best practice is embedded. Safeguarding training is mandatory for accredited coaches, Welfare Officers and LTA colleagues, and all LTA colleagues were trained to a level 1 safeguarding standard in 2018. This work has meant that we have maintained our NSPCC assessment rating of green – 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.

CODE FOR SPORTS GOVERNANCE

The LTA was proud to be the joint first sport to fully adopt the provisions of the new Code for Sports Governance, following a vote by Council at the LTA Annual General Meeting in May 2017. This enshrined significant governance changes, notably the introduction of nine year term limits for Councillors, together with changes to the structure of the Board, such as increasing the number of independent non-executive directors and opening up the positions of chair of the Tennis Development Committee and the Tennis Performance Committee to external applicants. A new Diversity Action Plan was also approved by the Board and Council.

DISABILITY

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled,

every effort is made to ensure their employment within the Group continues and appropriate workplace adjustments are arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The LTA Group 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 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.

CORPORATE GOVERNANCE THE BOARD

The composition, role and powers of the Board are covered by the Articles of Association, the Rules of the LTA and the Standing Orders. The Board provides leadership to the LTA and is ultimately responsible for its performance. Its broad areas of responsibility include:

- establishing the vision, mission and values
- determining the strategy, objectives and supporting major policies
- ensuring the financial viability including monitoring risks and conflicts
- monitoring operational and financial performance
- selecting and supporting the CEO
- ensuring accountability and effective governance
- to role model the values of Passion, Integrity, Teamwork and Excellence

The Board is led by an independent Chairman who is appointed to the Board, following the recommendation of the Nominations Committee and the approval of Council. The President and Deputy President, two Council elected board

members, the chair of our Tennis Development Committee and four independent board members together are the 10 non-executive members of the Board. The Board also has two executive members, the Chief Executive Officer and the Finance Director.

The Board considers its composition appropriate in view of the size and requirements of the LTA's business. The Board Nominations Committee reviews the composition of the Board and makes recommendations to the Board and Council on its makeup. The Board Nominations Committee is responsible for leading the search procedure to recommend new Board appointments.

The terms of appointment to the Board are as follows: the Chairman and the four independent Board members are appointed for an initial term of three years, and with the approval of the Board (Chair to be approved by Council also), may continue to serve for up to two further terms of three years. The President and Deputy President are elected each year, within a convention that no President serves for longer than three years. Council elected Board members are elected to the Board for a term of three years, and may, if re-elected, serve for up to two further terms of three years. The chair of the Tennis Development Committee (who, whilst the incumbent is a Councillor, may be recruited from outside Council) is appointed for an initial term of three years and may serve for up to five years with the annual approval of Council.

There is a clear division of responsibility between the Chairman, President and the Chief Executive Officer. The two executive Board members each have a role description and limits of authority. The Board meets a number of times per year in accordance with the Standing Orders, and in 2018 it met five times.

The Board members at the date of signing this report were:

Lord Davies of Abersoch

Lord Davies joined the LTA Board as Chairman on 27 September 2018 and is a member of the Remuneration and Board Nominations committees. He is a Partner and the Chairman of

Corsair Capital, a private equity firm specialising in financial services. Lord Davies is also the Chairman of LetterOne, an Adviser to Teneo, and the Chairman of UK India Business Council. He became a Peer in 2010 and was awarded a CBE for his services to the financial sector and the community in Hong Kong in June. Lord Davies is a keen tennis player, particularly doubles, and also enjoys watching tennis.

Martin Corrie

Martin joined the LTA Council representing Hertfordshire in 2003 and joined the LTA Board as a Council-elected Non-Executive Director in 2010. He is the President of the LTA but has chosen to temporarily step aside from the duties of his role while an independent investigation into a complaint is on-going. Martin is Chair of the Council Nominations Committee and also serves on the Board Nominations and Remuneration committees. In 2015 he was elected to the Board of the ITF where he serves as Chairman of the Remuneration Committee, Wheelchair Tennis Committee and the Technical Commission; he is also a member of the ITF Finance Committee. Martin remains an active tennis player representing Hertfordshire in the appropriate veterans' age groups.

Rachel Baillache

Rachel joined the LTA Board on 26 September 2018 as an Independent Non-Executive Director. She is Chair of the Remuneration Committee and also serves on the Audit Committee. Rachel is 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 the Chair of Minds@Work and a member of the Advisory Board for the Conference Board's Diversity and Inclusion Centre. Rachel is an avid tennis supporter.

Sara Bennison

Sara joined the LTA Board on 6 June 2018 as an Independent Non-Executive Director and is a member of the Remuneration Committee. She is currently the Chief Marketing Officer for

Nationwide Building Society and plays an active role in the wider marketing industry as Vice President of the Incorporated Society of British Advertisers, a member of the Industry Advisory Panel for the Advertising Standards Authority and a Fellow of the Marketing Society. She is a keen tennis fan.

Craig Haworth

Craig was appointed to the Board as a Council-elected Non-Executive Director in January 2017. Craig is also a member of the East Regional Forum Committee and the LTA Councillor for Northants LTA as well as being the County's Lead Volunteer, a member of the County LTA Committee and a member of the Tennis Europe Professional Tennis Committee. Craig is Managing Director of Passing Shots Community Interest Company that runs Corby Tennis Centre and has been at the centre since 1991. He previously represented Great Britain as a player and National Coach for 15 years and represented Buckinghamshire and, more recently, Northamptonshire at County level and has coached a number of Junior National Champions.

Clare Hollingsworth

Clare joined the LTA Board as an Independent Non-Executive Director in January 2015 and is currently the Senior Independent Director, Chair of Audit Committee and member of the Board Nominations Committee. She has worked in a variety of industries, including travel, healthcare and real estate, and has held a number of non-executive directorships. She is Chairman of Eurostar International Ltd, Non-Executive Director at Molnlycke Healthcare AB and is a regular volunteer at The Listening Place charity. Clare is a keen tennis supporter.

Scott Lloyd

Scott was appointed 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, Scott headed up the integration and subsequent growth of the business through to a successful sale to TDR Capital in September 2013. Scott stayed with the

company as CEO before stepping up to the role of Deputy Chairman and continues to hold a Non-Executive Director role.

Nicola Maskens

Nicola joined the LTA Board as a Council-elected Non-Executive Director in September 2014. She served as a Council elected member in 2015 and 2016 and as Chairman of the Tennis Development Committee from 2017. Nicola is a member of the Council Nominations, Licensing & Registration and Safeguarding & Protection committees. Nicola joined the LTA Council in 2008 representing Oxfordshire. She is currently the Chairman of the County Association having in the past been Chairman of the Junior County Closed and undertaking various roles on the Management Committee. Nicola is also a member of the Tennis Europe Tennis Development Committee. Nicola has been involved in tennis throughout her life, as a junior, tennis parent, club member, club membership secretary, team captain and an active player in the local summer and winter leagues.

Sandi Procter

Sandi joined the LTA Board in January 2017 as a Council-elected Non-Executive Director. On the LTA Council she represents Kent where she is the Lead Volunteer and has been involved in a wide range of Kent activities and projects for over 25 years. At the LTA Sandi is a member of the Tennis Development Committee and the Council Nominations Committee. She is also a member of the Tennis Europe Junior Tennis Committee. Sandi is a former PE teacher turned tennis coach and has a particular passion for mini tennis. She created the Mini Tennis Red, Orange and Green programme and the Tennis Leaders Programme for the LTA, with resources, training materials and delivery to British coaches.

David Rawlinson

David joined the LTA Board in 2014 as a Council-elected Non-Executive Director and took up the role of LTA Deputy President in January 2017. He joined the LTA Council in 2006 representing Bedfordshire where he has served as Treasurer,

Sponsorship Co-ordinator, Men's Captain and Lead Volunteer. David chairs the Investment Advisory Group and serves on the Tennis Development, Audit, Remuneration and Council and Board Nominations committees. He is a Tennis Europe Board Member & Treasurer having been appointed in March 2017. David is also a member of the ITF Seniors Committee and is an active player competing in National and International Seniors' Tournaments. He has represented Bedfordshire at County level in the Men's and Seniors' teams and has played for England in the Four Nations Seniors' competition. David is a practising Chartered Accountant and a Rotarian.

Simon Steele

Simon is the Finance Director at the LTA, joining in October 2016. He is a member of the Investment Advisory Group and is also responsible for the LTA's legal and technology departments. He has over 10 years' experience in the sports industry across a number of different organisations. Most recently he 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 and is a member of the Board Nominations Committee. He was the Performance Director for British Rowing until he stepped down in February 2018 after 21 years in the role. Sir David is a medal-winning Olympic coach and has had a successful full-time career in education. He is a Non-Executive Director on the Board of the English Institute of Sport and is Chair of Governors at Orleans Park Academy in Twickenham. 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. He is an ardent tennis supporter.

Listed below are the persons who served as Directors during the year and their attendance at Board meetings held:

Name	Description	No. of meetings attended in year
Lord Davies of Abersoch	Chairman of the Board (appointed 27 September 2018)	2 out of 2
David Gregson	Chairman of the Board (resigned 27 September 2018)	4 out of 4
Martin Corrie	President & Non-Executive Director	1 out of 4
Rachel Baillache	Independent Non-Executive Director (appointed 26 September 2018)	2 out of 2
Richard Baker	Independent Non-Executive Director (resigned 15 July 2018)	3 out of 3
Sara Bennison	Independent Non-Executive Director (appointed 6 June 2018)	3 out of 3
Craig Haworth	Council-elected Non-Executive Director	5 out of 5
Clare Hollingsworth	Senior Independent Non-Executive Director	5 out of 5
Scott Lloyd	Chief Executive Officer (appointed 8 January 2018)	5 out of 5
Nicola Maskens	Chair of Tennis Development Committee and Non-Executive Director	4 out of 5
Sandi Procter	Council-elected Non-Executive Director	5 out of 5
David Rawlinson	Deputy President and Non-Executive Director	5 out of 5
Simon Steele	Finance Director	5 out of 5
Sir David Tanner	Independent Non-Executive Director (appointed 1 August 2018)	2 out of 2

Stephen Farrow was the LTA's Company Secretary during the year and attended each Board meeting in this capacity.

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's liability insurance on behalf of its Board.

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
- Stephen Farrow, Director of International Events and Professional Game
- Victoria O'Byrne, Communications Director
- Julie Porter, Chief Operating Officer
- Oliver Scadgell, Participation Director
- Simon Timson, Performance Director
- Vicky Williams, People Director

BOARD COMMITTEES

The Board has a number of sub-committees which have delegated responsibility for key areas. Each committee has terms of reference approved by the Board and all committees report back to the Board. Minutes of sub-committee meetings are circulated to all Board members.

(i) Audit Committee

The main role and responsibilities of the Audit Committee are to monitor the integrity of the financial statements of the LTA, the internal financial controls and financial risk management systems, performance of the Investment Advisory Group, manage the appointment, independence and performance of the external and internal auditors and to review and recommend the annual financial statements to the Board for approval.

The Audit Committee reports to the Board and meets at least three times a year. The Audit Committee Chair presents an annual report to Council.

The Audit Committee members during the year were:

Name	No. of meetings attended in year
Rachel Baillache (appointed 26 September 2018)	2 out of 2
Margaret Ewing (resigned 28 September 2018)	2 out of 2
Clare Hollingsworth (Chair)	3 out of 3
David Rawlinson	3 out of 3

The Chief Executive Officer, Finance Director, Head of Group Finance and the LTA's internal and external auditors attended the Audit Committee meetings in 2018 by invitation as appropriate.

Grant Thornton, internal auditors to the LTA presented findings and recommendations from internal audit reviews, undertaken in 2018, to the Committee.

The Audit Committee considers and receives reports from the Executive on the nature of risks facing the LTA, the categories of risk that are 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.

PricewaterhouseCoopers LLP, the independent external auditor, 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) Board Nominations Committee and Council Nominations Committee

The Board Nominations Committee keeps the composition of the Board under review, considers the appointments of independent members of the Board and takes part in succession planning at senior levels of management. The Council Nominations Committee considers the appointments of Councillors and other individuals to external and internal committees while also considering succession planning.

a) The Board Nominations Committee met three times during the year and comprised the following members:

Name	No. of meetings attended in year
Richard Baker (resigned 15 July 2018)	2 out of 2
Martin Corrie	0 out of 3
Lord Davies of Abersoch (appointed as Chair on 27 September 2018)	1 out of 1
David Gregson (resigned as Chair on 18 September 2018)	3 out of 3
Clare Hollingsworth	3 out of 3
David Rawlinson	3 out of 3

Stephen Farrow was the LTA's Company Secretary during the year and attended two meetings in that capacity (the third was held in camera with no Executives present).

b) The Council Nominations Committee met four times during the year and comprised the following members:

Name	No. of meetings attended in year
Martin Corrie	1 out of 4
Craig Haworth	4 out of 4
Nicola Maskens	4 out of 4
Sandi Procter	4 out of 4
David Rawlinson (Chair)	4 out of 4

Stephen Farrow attended all meetings in the capacity of the LTA's Company Secretary.

(iii) Remuneration Committee

The main role of the Remuneration Committee is

to determine the LTA's policy on remuneration and to advise on the total remuneration packages of the Chief Executive Officer and senior executives, making any necessary comparisons with market rates. 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 manage and fulfil the LTA's objectives. No remuneration is paid to the Non-Executive Board members.

The Remuneration Committee members during the year were:

Name	No. of meetings attended in year
Rachel Baillache (appointed as Chair on 26 September 2018)	2 out of 2
Richard Baker (resigned as Chair on 15 July 2018)	2 out of 2
Sara Bennison	2 out of 2
Martin Corrie	1 out of 4
Lord Davies of Abersoch	0 out of 2
David Gregson	2 out of 2
David Rawlinson	4 out of 4

The Chief Executive Officer and People Director attended the Committee meetings in 2018 as appropriate.

(iv) Safeguarding and Protection Committee

The Safeguarding and Protection Committee make decisions in safeguarding cases in accordance with the Safeguarding Procedures (Appendix Two to the Disciplinary Code). The Safeguarding and Protection Committee also advise generally on matters of safeguarding and protection of children, young people and adults at risk, as well as on policies, strategy and procedures.

The Safeguarding and Protection Committee members during the year were:

Name	Description
Eleanor Brazil (QC)	Independent Chair
Funke Awoderu	Council Member
Gary Bye	Independent Member
Nicola Dean	Independent Member
Nicola Maskens	Council Member
Liz McMahon	Independent Member
Pat Monro	Independent Member
Richard Smallbone	Independent Member
Liz Sweeting	Council Member

Ten meetings were held during 2018 (2017: five). The quorum for any meeting is three, with the chairperson selecting a minimum of two other members to consider any case. The Legal Director, Head of Safeguarding and Safeguarding Manager attended the Committee meetings in 2018 as appropriate.

COUNCIL

The LTA Council is the democratic forum of member associations and other key interest groups in British tennis. Its composition and powers are governed by the Rules of the LTA, and the way it operates is covered by the Standing Orders. The Council is led by the President, who with their Deputy and the other Councillors has the following broad areas of responsibility:

- to represent the views and interests of their member organisation or stakeholder group
- to contribute their knowledge and experience to the development and review of strategy

- to approve key appointments, and any changes to the LTA's primary governance documents
- to communicate and champion the strategy
- to role model the values of Passion, Integrity, Teamwork and Excellence

The Council met four times in the year and at those meetings received reports from the Board.

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 15 to 16 as part of the Strategic Report while information on related party transactions is disclosed on pages 68 to 69 as part of the notes to the financial statements.

The Directors Report was approved and authorised for issue by the Board on 8 May 2019 and is signed on its behalf by:

E. Mervyn Davies

Lord Davies of Abersoch
Chairman
8 May 2019



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 Annual 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 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 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 group and company and of the profit or loss of the group and company 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 also 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group 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.





**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 2018 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Finance and Governance Report (the "Annual Report"), which comprise: the Group Statement of Comprehensive Income, Group and Company Statements of Financial Position as at 31 December 2018, Group and Company Statements of Changes in Equity, Group Statement of Cash Flows and 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

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Group's trade, customers, suppliers and the wider economy.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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' Responsibility, 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.

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 received 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.



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

8 May 2019





GROUP

Financial Statements

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 £'000s	2017 £'000s
Revenue	2	64,479	60,638
Administrative expenses		(70,814)	(68,180)
Operating loss	3	(6,335)	(7,542)
Other interest receivable and similar income	5	1,433	1,754
Net (losses)/gains on fixed asset investments		(3,586)	2,650
Loss before taxation		(8,488)	(3,138)
Tax on loss	6	(350)	(441)
Loss and comprehensive expense for the year		(8,838)	(3,579)

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 2018 or 2017.

The notes on pages 44 to 69 form an integral part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 £'000s	2017 £'000s
Fixed assets			
Intangible assets	7	2,637	3,125
Property, plant and equipment	8	32,007	33,258
Investments	9	66,206	77,661
		100,850	114,044
Current assets			
Trade and other receivables – amounts falling due after more than one year	13	20,394	21,113
Trade and other receivables – amounts falling due within one year	13	41,423	41,886
Cash and cash equivalents	14	13,562	5,698
		75,379	68,697
Trade and other payables – amounts falling due within one year	15	(14,314)	(12,083)
Net current assets		61,065	56,614
Total assets less current liabilities		161,915	170,658
Provisions for liabilities			
Other provisions	16	(495)	(400)
Net assets		161,420	170,258
Equity			
Retained earnings		107,214	116,052
Other reserves	18	54,206	54,206
Total equity		161,420	170,258

The financial statements on pages 39 to 69 were approved and authorised for issue by the Board on 8th May 2019 and were signed on their behalf by:



Scott Lloyd
Chief Executive Officer

The notes on pages 44 to 69 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 £'000s	2017 £'000
Fixed assets			
Intangible assets	7	1,040	1,300
Investments	9	47,741	59,446
		48,781	60,746
Current assets			
Trade and other receivables – amounts falling due within one year	13	111,928	102,058
Cash and cash equivalents	14	18	300
		111,946	102,358
Trade and other payables – amounts falling due within one year	15	(994)	(1,032)
Net current assets		110,952	101,326
Total assets less current liabilities		159,733	162,072
Deferred tax liability	17	(450)	(1,004)
Net assets		159,283	161,068
Equity			
Retained earnings		159,283	161,068
Total equity		159,283	161,068

Lawn Tennis Association Limited made a loss after taxation of £1.8m in the year (2017: profit £2.4m).

The financial statements on pages 39 to 69 were approved and authorised for issue by the Board on 8th May 2019 and were signed on their behalf by:



Scott Lloyd
Chief Executive Officer

The notes on pages 44 to 69 form an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2018

Group	Retained earnings £'000s	Other reserves £'000s	Total equity £'000s
Balance as at 1 January 2017	119,426	54,411	173,837
(Loss)/Profit for the financial year	(4,769)	1,190	(3,579)
Balance as at 31 December 2017	114,657	55,601	170,258
Balance as at 1 January 2018	114,657	55,601	170,258
Loss for the financial year	(7,443)	(1,395)	(8,838)
Balance as at 31 December 2018	107,214	54,206	161,420
Company	Retained Earnings £'000s	Other reserves £'000s	Total equity £'000s
Balance as at 1 January 2017	158,714	-	158,714
Profit for the financial year	2,354	-	2,354
Balance as at 31 December 2017	161,068	-	161,068
Balance as at 1 January 2018	161,068	-	161,068
Loss for the financial year	(1,785)	-	(1,785)
Balance as at 31 December 2018	159,283	-	159,283

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 £'000s	2017 £'000s
Cash flows from operating activities		
Operating loss	(6,335)	(7,542)
Depreciation charge (net of loss on disposal)	2,070	1,405
Amortisation charge	1,279	1,401
(Increase)/Decrease in debtors	(4,022)	5,028
Decrease/(Increase) in outstanding loans to places to play	204	(1,299)
Increase/(Decrease) in creditors	2,352	(3,805)
Taxation paid	(436)	(1,682)
Net cash used in operating activities	(4,888)	(6,494)
Cash flow from investing activities		
Payments to acquire intangible fixed assets	(809)	(752)
Payments to acquire property, plant & equipment	(903)	(1,066)
Receipts from sale of fixed asset investments	69,833	12,119
Payments to acquire fixed asset investments	(61,802)	(13,082)
Proceeds from sale of joint venture	5,000	5,000
Interest received	88	131
Income from fixed asset investments	1,345	1,625
Net cash generated from investing activities	12,752	3,975
Net increase/(decrease) in cash and cash equivalents	7,864	(2,519)
Cash and cash equivalents at the beginning of the year	5,698	8,217
Cash and cash equivalents at the end of the year	13,562	5,698
Cash and cash equivalents consists of:		
Cash at bank and in hand	13,562	5,698
Cash and cash equivalents	13,562	5,698

The notes on pages 44 to 69 form an integral part of these financial statements.

NOTES TO THE *financial statements*

I. 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 United Kingdom. The address of its registered office is The National Tennis Centre, 100 Priory Lane, 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 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 (see note v).

b) Going concern

On the basis of their assessment of the Group financial position and resources, the directors believe that the Group is well placed to manage its business 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.

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;
- 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.

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. The parent company's loss for the year ended 31 December 2018 was £1.8 million (profit for year ended 31 December 2017: £2.4 million).

I. ACCOUNTING POLICIES (CONTINUED)

e) Basis of consolidation

The Group financial statements consolidate the financial statements of the Lawn Tennis Association Limited ('the Company') and its subsidiary undertakings (including The LTA Trust) made up to 31 December 2018. The profits and losses of subsidiaries are consolidated from the date of acquisition to the date of disposal.

During the year, the control and governance arrangements in respect of The LTA Trust were reassessed in light of potential changes in the control and governance over the TF. As a result, the control indicators were reassessed and the decision taken that The LTA Trust should be consolidated by the LTA and should also have been consolidated in the prior year. As a result, 2017 has been restated on the same basis.

Uniform accounting policies are used for all the companies included in the LTA 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-subsiary 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 Wimbledon Championships

In these financial statements the Wimbledon 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 2013 between the Club and the LTA, whereby the Wimbledon Championships are controlled, managed and promoted by the

Committee of Management which consists of twelve members representing the Club and seven members representing the LTA. The Wimbledon Championships prepares its financial statements to 31 July.

The allocation of the financial surplus of the Wimbledon Championships is also governed by this agreement. The financial arrangements are designed to advance the interests of British tennis. 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 Wimbledon 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 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.

i) Grants

Grant income is recognised in the income statement either on receipt or in the period in which the related expenditure is incurred, depending on the nature of the grant when the entity complies with the conditions attaching to them. Section 24 of FRS 102, 'Government grants' permits either the performance model or the accrual model to recognise government grants. Grants relating to revenue are recognised in income on a systematic basis over the period in

I. ACCOUNTING POLICIES (CONTINUED)

which the Group recognised the related costs for which the grant is intended to compensate.

Grant expenditure is recognised in the income statement in the period in which the grant was made or committed to other third parties.

j) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions arising during the period are translated at the rates prevailing at the date of the transactions unless covered by a forward exchange contract, in which case the contract rate is used. Balances outstanding at the period end are translated at the rate ruling on that date unless covered by a forward exchange contract. Non-monetary 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 period-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) 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 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	4 years
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Assets under construction	0 years
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Assets under construction are amortised once their useful lives commence and in accordance with their asset class.

m) 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.

I. ACCOUNTING POLICIES (CONTINUED)

The following asset lives are used:

Land & buildings	10-125 years
Motor vehicles	4 years
Furniture, computers & equipment	3 to 20 years
Assets under construction	0 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. 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.

n) 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 periods. A reversal of an impairment loss is recognised in the income statement.

o) 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.

p) 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.

I. ACCOUNTING POLICIES (CONTINUED)

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 period 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 re-translation of forward exchange contracts in place at the statement of financial position date are also taken to reserves.

q) 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 period 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. 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.

I. ACCOUNTING POLICIES (CONTINUED)

(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.

r) 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.

s) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Taxation represents the amount estimated to be payable or recoverable in respect of the taxable profit or loss for the period, 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 period 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 periods 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.

t) 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 period in which the service is received.

Termination benefits:

Termination benefits are recognised as an expense in the period 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 period to which they relate. There are no defined benefit pension obligations.

u) 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.

I. ACCOUNTING POLICIES (CONTINUED)

v) 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 period in which the estimates are revised and in any future periods affected. No material judgements and estimates have been made in the current year or prior period.

w) 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.

(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-subsidary relationships in note 22, 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. Minimal revenue is earned from the participation of British teams in Davis Cup and Fed Cup ties overseas.

Analysis of revenue by category:

	2018 £'000s	2017 £'000s
Rendering of services	61,583	57,227
Grant income	2,896	3,411
	64,479	60,638

Analysis of revenue by subcategory:

	2018 £'000s	2017 £'000s
Revenue from the Wimbledon Championships	40,821	33,604
Commercial	5,488	9,551
Major events	14,295	13,363
Sport England revenue and other grants	2,535	3,411
Other revenue	1,340	709
	64,479	60,638

3. OPERATING LOSS

	2018 £'000s	2017 £'000s
Operating loss is stated after charging/(crediting):		
Amortisation of intangible assets (note 7)	1,279	1,401
Depreciation of property, plant & equipment (note 8)	1,547	1,465
Loss on disposal of property, plant & equipment	524	62
Operating lease and other hire charges:		
- Plant and machinery	89	115
- Motor vehicles	163	231
Auditors' remuneration:		
- Audit fee for parent company and consolidated financial statements	54	52
- Audit fee for audit of subsidiaries	5	5
- Tax compliance services	46	44
- Non-audit services	79	64
Donations payable:		
- The Tennis Foundation (note 22)	4,443	7,442
Grant income	(2,896)	(3,411)

4. EMPLOYEES AND DIRECTORS

The average monthly number of employees, including directors, of the Group during the year was 282 (2017: 275) as follows:

	2018 Number	2017 Number
Participation	87	86
Performance	54	45
Commercial, major events and marketing	75	67
Business support and governance	66	77
	282	275

The Company has no (2017: nil) employees.

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

	2018 £'000s	2017 £'000s
Group employees		
Wages and salaries	15,358	13,622
Social security costs	1,729	1,536
Other pension costs	907	778
	17,994	15,936
Charge to The Tennis Foundation (note 22)	(752)	(2,475)
	17,242	13,461

	2018 £'000s	2017 £'000s
Directors' remuneration		
Aggregate salaries and benefit in kind	493	351
Variable pay due under short-term incentive schemes	110	36
Company pension contributions to money purchase scheme	44	33
	647	420
Compensation for international cost of living impact	-	22
Aggregate emoluments	647	442

The aggregate emoluments were paid to two (2017: two) directors, both of whom were employed for the whole of 2018 (2017: one). Variable pay is based upon personal objectives, agreed targets and performance measures. Retirement benefits are accruing to two (2017: two) directors under a money purchase scheme.

4. EMPLOYEES AND DIRECTORS (CONTINUED)

	2018 £'000s	2017 £'000s
Highest paid director		
Aggregate salaries and benefit in kind	317	174
Variable pay due under short-term incentive schemes	76	36
Company pension contributions to money purchase scheme	28	16
Aggregate emoluments	421	226

A full years remuneration was paid to the LTA's CEO in 2018. In 2017, the then CEO stepped down in June and was therefore only in place for six months of the year.

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £'000s	2017 £'000s
Group interest receivable	13	6
Interest on deferred consideration	75	191
Income from fixed asset investments	1,345	1,557
Net finance income	1,433	1,754

6. TAX ON LOSS

	2018 £'000s	2017 £'000s
Group taxation		
Current tax:		
UK corporation tax on results for the year	1,347	1,212
Adjustment in respect of prior years	(167)	472
Total current tax	1,180	1,684
Deferred tax:		
Origination and reversal of timing differences	(1,318)	(704)
Effect of future corporation tax rate changes	139	83
Adjustment in respect of prior years	349	(622)
Total deferred tax	(830)	(1,243)
Tax on loss	350	441

6. TAX ON LOSS (CONTINUED)

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% average for the year (2017: 19%). The differences are explained below:

	2018 £'000s	2017 £'000s
Factors affecting tax charge		
Loss before taxation	(8,488)	(3,138)
Loss before taxation multiplied by standard corporation tax rate in the UK of 19% (2017: 19%) for large entities and 19% (2017: 19%) for smaller entities	(1,613)	(604)
Effects of:		
Expenses not deductible for tax purposes	2,086	1,906
Accelerated capital allowances and other timing differences	(231)	54
Income not taxable	(214)	(851)
Adjustment in respect of prior years	181	(150)
Deferred tax not recognised	2	3
Effect of future corporation tax rate changes	139	83
Total tax charge	350	441

Under the Finance Act 2015, the main rate of corporation tax reduced from 20% to 19% effective from 1 April 2017. The Act included a further reduction to 18% with effect from 1 April 2020. The Finance Act 2016 provided a further reduction to the main rate of corporation tax to 17% from 1 April 2020. The deferred tax balances at this date have been measured at 17%, the rate at which the deferred tax asset is expected to reverse.

7. INTANGIBLE ASSETS

Group	Restated Commercial rights £'000s	Assets under construction £'000s	Computer software £'000s	Total £'000s
Cost:				
At 1 January 2018	2,080	-	5,087	7,167
Additions	-	452	339	791
At 31 December 2018	2,080	452	5,426	7,958
Accumulated Amortisation:				
At 1 January 2018	780	-	3,262	4,042
Charge for the year	260	-	1,019	1,279
At 31 December 2018	1,040	-	4,281	5,321
Net book value:				
At 31 December 2018	1,040	452	1,145	2,637
At 31 December 2017	1,300	-	1,825	3,125

Company	Commercial rights £'000s
Cost:	
At 1 January 2018	2,080
Additions	-
At 31 December 2018	2,080
Accumulated Amortisation:	
At 1 January 2018	260
Charge for the year	780
At 31 December 2018	1,040
Net book value:	
At 31 December 2018	1,040
At 31 December 2017	1,300

7. INTANGIBLE ASSETS (CONTINUED)

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 is being amortised over the life of the agreement to 2022 resulting in a net book value at 31 December 2018 of £1.0m (2017: £1.3m).

Within intangible assets there is £1.8m of computer software that has been reclassified from Furniture, computers & equipment in line with Section 18 of FRS 102. Also, £2.2m of facility improvements at LTA tournament sites have been reclassified from Commercial rights to Land and buildings in order to provide a more accurate representation of the underlying assets.

8. PROPERTY, PLANT AND EQUIPMENT

Group	Restated Land & buildings £'000s	Motor vehicles £'000s	Furniture, computers & equipment £'000s	Total £'000s
Cost:				
At 1 January 2018	36,782	83	18,337	55,202
Additions	11	(2)	812	821
Disposals	(901)	-	(45)	(946)
At 31 December 2018	35,892	81	19,104	55,077
Accumulated Depreciation:				
At 1 January 2018	7,863	58	14,023	21,944
Charge for the year	708	13	826	1,547
Disposals	(375)	-	(46)	(421)
At 31 December 2018	8,196	71	14,803	23,070
Net book value:				
As at 31 December 2018	27,696	10	4,301	32,007
As at 31 December 2017	28,919	25	4,314	33,258

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

Within Land & buildings there are £2.2m of facility improvements at LTA tournament sites that have been reclassified from Commercial rights in order to provide a more accurate representation of the underlying assets. Also, £1.8m of computer software has been reclassified from Furniture, computers & equipment to intangible assets in line with Section 18 of FRS 102.

The Company does not hold any Property, plant and equipment (2017: £nil).

9. INVESTMENTS

Group	Third party investments £'000s
Net book value:	
At 1 January 2018	77,661
Additions	66,742
Disposals	(67,303)
Fair value adjustment	(5,954)
Movements in cash	(4,940)
At 31 December 2018	66,206

In 2018, The LTA Trust was consolidated in the Group financial statements therefore the balance as at 1 January 2018 has been restated by £30.0m to include the value of The LTA Trust's investments held on that date.

Company	Third party investments £'000s	Subsidiaries £'000s	Total £'000s
Net book value			
At 1 January 2018	47,650	11,796	59,446
Additions	39,829	-	39,829
Disposals	(41,856)	-	(41,856)
Fair value adjustment	(4,848)	-	(4,848)
Movement in cash	(4,830)	-	(4,830)
At 31 December 2018	35,945	11,796	47,741

The subsidiaries below are all incorporated in the UK, were wholly owned by the Lawn Tennis Association Limited at 31 December 2018 and are registered at The National Tennis Centre, 100 Priory Lane, Roehampton, London, SW15 5JQ.

Subsidiary	Nature of activities
LTA Operations Limited *	Trading entity of the LTA Group
LTA Property Limited *	Holding company for land and buildings of the LTA Group
LTA Holdings Limited *	Holding company for the previous Lawn Tennis Association unincorporated subsidiaries
LTA Nominees Limited	Nominee company for the LTA
LTA Developments Limited	Manages tennis developments on behalf of the LTA
LTA Events Limited	Facilitates and manages tennis tournaments on behalf of the LTA
LTA Ground Limited	Manages the prepaid court arrangement with Queenswood School
LTA Services Limited	Provides manpower services
Tennis GB Limited	Publishes tennis magazines and other tennis publications (Dormant)
The LTA Trust*	Independent charity to promote community participation

* Direct subsidiaries of Lawn Tennis Association Limited.

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 2018.

Subsidiary	Nature of activities
LTA Holdings Limited	Holding company for the previous Lawn Tennis Association unincorporated subsidiaries
LTA Nominees Limited	Nominee company for the LTA
LTA Developments Limited	Manages tennis developments on behalf of the LTA
LTA Events Limited	Facilitates and manages tennis tournaments on behalf of the LTA
LTA Ground Limited	Manages the prepaid court arrangement with Queenswood School
LTA Services Limited	Provides manpower services
Tennis GB Limited	Publishes tennis magazines and other tennis publications (Dormant)

10. LAWN TENNIS ASSOCIATION

The Income Statement 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-subsiary managed on a unified basis by the management of the LTA Group.

	2018 £'000s	2017 £'000s
Income statement		
Operating result	-	-
Profit before tax	-	-
Profit for the financial year	-	-
	<hr/>	<hr/>
	2018 £'000s	2017 £'000s
Statement of financial position		
Debtors due after more than one year	1,188	1,055
Cash at bank and in hand	35	168
Creditors due less than one year	-	-
Net assets	<hr/> 1,223 <hr/>	<hr/> 1,223 <hr/>

11. THE LTA TRUST

The LTA Trust was established as a registered charity within the LTA Group as a wholly owned subsidiary of Lawn Tennis Association Limited in 2012 (charity number 1148421).

During the year, the control and governance arrangements in respect of The LTA Trust were reassessed in light of potential changes in the control and governance over the TF. As a result, the control indicators were reassessed and the decision taken that The LTA Trust should be consolidated by the LTA. The indicators were the same in the prior year and, as a consequence, 2017 has been restated on the same basis.

The key financial information in respect of The LTA Trust is as follows:

	2018 £'000s	2017 £'000s
Total incoming resources	519	611
Total resources expended	(798)	(163)
Net incoming resources before other recognised gains or losses	<hr/> (279) <hr/>	<hr/> 448 <hr/>
(Loss)/Gains on investment assets	(1,116)	682
Net movement in funds	<hr/> (1,395) <hr/>	<hr/> 1,130 <hr/>
Gross assets		
Investments	30,260	30,011
Cash at bank and in hand	70	1,027
	<hr/> 30,330 <hr/>	<hr/> 31,038 <hr/>
Gross liabilities		
Liabilities due within one year	(1,124)	(437)
Total assets less current liabilities	<hr/> 29,206 <hr/>	<hr/> 30,601 <hr/>
Net assets	<hr/> 29,206 <hr/>	<hr/> 30,601 <hr/>
Unrestricted funds	<hr/> 29,206 <hr/>	<hr/> 30,601 <hr/>

12. FINANCIAL INSTRUMENTS BY CATEGORY

	Group 2018 £'000s	Group 2017 £'000s	Company 2018 £'000s	Company 2017 £'000s
Financial instruments by category				
The Group & Company have the following financial instruments:				
Financial assets at fair value through income statement:				
Third party investments (note 9)	66,206	77,661	35,945	47,650
Financial assets that are debt instruments measured at amortised cost:				
Trade and receivables (note 13)	1,805	627	-	-
Other receivables (note 13)	47,694	50,680	111,928	102,058
Concessionary loans (note 13)	10,533	10,737	-	-
Cash at bank and in hand (note 14)	13,562	5,698	18	300
	73,594	67,742	111,946	102,358
Financial liabilities measured at amortised cost:				
Trade and payables (note 15)	613	165	-	-
Other payables (note 15)	13,314	11,505	885	1,032
	13,927	11,670	885	1,032

13. TRADE AND OTHER RECEIVABLES

	Group 2018 £'000s	Group 2017 £'000s	Company 2018 £'000s	Company 2017 £'000s
Amounts falling due within one year:				
Trade receivables	1,805	627	-	-
Amounts owed by Group undertakings (i)	-	-	111,921	97,037
Amounts owed by the Wimbledon Championships	32,785	28,637	-	-
Amounts owed by AELTC for sale of AELTG (ii)	-	5,000	-	5,000
Amounts owed by The Tennis Foundation	598	1,117	-	-
Concessionary loans (iii)	1,638	1,457	-	-
Tennis developments (iv)	114	150	-	-
Other receivables	1,620	1,637	7	21
Prepayments and accrued income	2,863	3,261	-	-
	41,423	41,886	111,928	102,058
Amounts falling due after more than one year:				
Concessionary loans (iii)	8,895	9,280	-	-
Deferred tax asset	1,785	955	-	-
Tennis developments (iv)	3,240	3,379	-	-
Prepayments and accrued income	6,474	7,499	-	-
	20,394	21,113	-	-

- (i) Amounts owed by Group undertakings represent intercompany loans that are measured at cost, interest free and repayable on demand.
- (ii) The book profit from the sale of AELTG was £32,126,000 with the consideration of £55,000,000 being offset by the interest in the joint venture of £22,874,000. The £55,000,000 has been received in instalments between August 2013 and 2018. The amount was not discounted, as discounting was not material. Interest receivable on deferred consideration was calculated at 1% per annum plus the average Bank of England base rate for that year.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(iii) Concessionary loans		
Group	2018	2017
	£'000s	£'000s
Amounts falling due within one year	1,638	1,457
Amounts falling due after more than one year	8,895	9,280
	10,533	10,737

The loans represent interest free loans issued by LTA Operations Limited to clubs, indoor facilities, parks and schools to improve tennis facilities. The loans are repayable over 10 years or longer and are recorded net of any bad debt provision.

- (iv) Included within amounts falling due after more than one year is £3,240,000 (2017: £3,379,000) 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.

14. CASH AND CASH EQUIVALENTS

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
Cash at bank and in hand	13,562	5,698	18	300
	13,562	5,698	18	300

15. TRADE AND OTHER PAYABLES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
Trade payables	613	165	-	-
Corporation tax	387	415	109	-
Amounts owed to group undertakings	-	-	156	-
Other payables	1,890	495	-	-
Accruals and deferred income	11,424	11,008	729	1,032
	14,314	12,083	994	1,032

16. OTHER PROVISIONS

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
At 1 January	(400)	(400)	-	-
Charged/(credited) to income statement	(95)	-	-	-
At 31 December	(495)	(400)	-	-

Provisions relate to payroll costs of £400,000 and legal expenses of £95,000 are expected to be used during 2019.

17. DEFERRED TAX ASSET/(LIABILITY)

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
At 1 January	955	(288)	(1,004)	(999)
Credited/(charged) to income statement	830	1,243	554	(5)
At 31 December	1,785	955	(450)	(1,004)

The gross deferred tax asset/(liability) comprises:

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
Deferred capital allowances	2,863	2,539	-	-
Pension surplus	(547)	(593)	-	-
Short-term timing differences	(472)	(1,018)	(450)	(1,004)
FRS 102 Adjustment	24	27	-	-
Tax Losses carried forward	28	-	-	-
Deferred tax not recognised	(111)	-	-	-
Deferred tax asset/(liability)	1,785	955	(450)	(1,004)

18. OTHER RESERVES

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
At 1 January and 31 December	54,206	54,206	-	-

Other reserves represent partial consideration in respect of the sale of AELTG by the LTA in 2013. It is management's intention that the consideration should be ring fenced for investment in legacy projects rather than in day to day operations.

19. PENSION COMMITMENTS

The Group operates various defined contribution pension schemes for its employees:

The LTA 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 LTA 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 2018, 278 (2017: 289) employees were members of the scheme.

The contributions to the LTA schemes were:

	2018 £'000s	2017 £'000s
LTA Group personal pension plan (the scheme)	907	778
Total Group contributions	907	778

£nil contributions were outstanding at the year-end (2017: £nil).

20. 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:

	2018 £'000s	2017 £'000s
Operating leases which expire:		
within one year	59	73
within two to five years	75	7
	134	80

In addition to the commitments under non-cancellable operating leases noted above, there are loans of £2,160,000 (2017: £2,270,000) that have been approved for payment to Places to Play but have not yet been paid.

At 31 December 2018, the Company had no future minimum lease payments under non-cancellable operating leases for assets and other financial commitments.

21. CONTINGENT LIABILITIES

As disclosed in note 9 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 £3,038,865 (2017: £2,371,589).

22. 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 £1,541,434 (2017: £1,570,100).

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 2018, the LTA received income of £89,094 (2017: £69,201) and incurred costs of £335,160 (2017: £345,721) from David Lloyd clubs across the UK. The balance owed by David Lloyd clubs at 31 December 2018 was £2,429 (2017: £72,530).

The Wimbledon Championships

The LTA operates a joint arrangement under an agreement for the governance and operation of the Wimbledon Championships with the Club, AELTG and The All England Lawn Tennis Club (Wimbledon) Limited. In 2018 the Joint Management Committee of The Championships allocated 90% of the net surplus of The Championships to the LTA (2017: 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 2017 and 2018.

The gross surplus of the Wimbledon Championships amounted to £37,800,000 (2017: £33,604,000). Net of withholding tax, officiating income, subvention income and income from the exercise of warrants over shares, the surplus receivable by the LTA amounted to £37,796,372 (2017: £30,637,000). In 2017 £3,000,000 of the surplus was donated to the TF. However, following the agreement to integrate the TF's activities into the LTA, this amount was allocated directly to the LTA in 2018. The amount due from the Wimbledon Championships at 31 December 2018 was £32,785,000 (31 December 2017: £28,637,000).

The costs of officiating services are charged to the Wimbledon 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 Wimbledon Championships each year. In 2018 the LTA recharged the Wimbledon Championships £1,276,511 (2017: £1,225,000) for these services.

In 2018, LTA Operations Limited received £1,000,000 (2017: £1,000,000) subvention payment from The Championships to help fund grass-court tournaments in the periods before and after The Championships and a further £442,855 (2017: £381,614) to support the grass court venues of the Trophy Series and the prize money at the Men's ATP Challenger/Women's ITF Pro-circuit. LTA Operations Limited also purchased £5,970,513 (2017: £5,612,965) of tickets at face value from The Championships for onward sale and distribution.

The Tennis Foundation

Under agreement, the LTA and the TF run a number of programmes in partnership for the advancement of tennis across the areas of schools, community and tennis facilities. Currently, 72 employees (2017: 78) are employed jointly by the TF and the LTA to administer these charitable programmes and an appropriate proportion of these costs are recharged to the TF.

In 2018 the LTA donated £4,442,997 (2017: £7,441,740) to the TF. During the year the TF was charged £752,000 (2017: £2,475,000) for employment costs from the LTA. In addition, the TF was recharged on an arm's length basis £989,256 (2017: £1,400,000) by the LTA for support, administrative and management services to the TF. The amount owed by the TF at the year-end was £597,824 (2017: £1,117,000).

During the year, the Wimbledon Championships made a charitable donation of £nil (2017: £3,000,000) to the TF. A £3,000,000 donation from the surplus was not made to the TF in 2018 following the agreement to integrate the TF's activities into the LTA.

The LTA Trust

During the year, the LTA did not make a donation to The LTA Trust (2017: £nil).

23. ULTIMATE PARENT AND CONTROLLING PARTY

Lawn Tennis Association Limited is the ultimate parent undertaking and controlling party of the LTA Group, as detailed in Note 9.





LTA

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