

**Company registration no: 7459469**

**Lawn Tennis Association Limited**

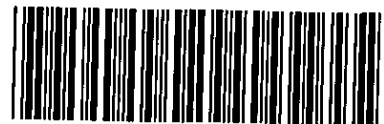
## LTA Finance and Governance Report for the 12 months ended 31<sup>st</sup> December 2016

**www.lta.org.uk**

**Text-only online-only**

94

THURSDAY



\*S694Y58A\*

**SPE**

22/06/2017

#64

COMPANIES HOUSE

## **Contents**

1. Strategic Report
2. Report of the Directors
3. *Independent auditors' report*
4. Group income statement
5. Group statement of financial position
6. Lawn Tennis Association Limited statement of financial position
7. Statement of changes in equity
8. Group statement of cash flows
9. Notes to the financial statements

# Strategic Report

## Introduction

2016 was undoubtedly one of the best years in the history of British performance tennis. Andy Murray ended the year at world No.1 and won his second Wimbledon title and his second Olympic singles gold medal, Jamie Murray achieved a World No.1 doubles ranking, Johanna Konta broke into the top 10 and Kyle Edmund broke into the elite top 50. In addition, Gordon Reid ended the year as world No.1 in the Wheelchair singles, and Andy Lapthorne achieved year-end World No. 1 in quad doubles. These results were nothing short of world class. Back home this helped inspire a nation by raising the awareness of our sport by 13%.

With a mission to get more people playing tennis more often, it was critical that we did not just see great results at the top of the sport. We have been very clear about the challenges our sport faces after many years of decline in the number of people playing tennis. In 2015, the first year of the current four year British tennis strategic plan, we set ourselves tough targets to put in place the foundations from which sustainable participation growth could be achieved in the future. 2016 was about continuing to build on these foundations and at the end of the second year of the British tennis strategic plan, we have achieved solid progress against the tough business objectives we set ourselves. I am very pleased to report that the achievements that follow were delivered within our operating budget.

1. **Monthly participation:** The first business objective was for our sport to witness positive growth (+1 per cent) on a rolling 12 month basis among people who play tennis at least once a month. This is measured by our robust monthly tracking study covering a representative sample of the British population. This was a difficult objective given that this measure of participation in our sport declined 8% in 2015. The groundwork has started to pay dividends and we were buoyed to see that participation figures on a 12 month rolling period grew by just under 1% in 2016. To see positive growth in our sport is a significant moment on our journey to turn the sport around at the grassroots. But it is just a start.

Whilst overall participation figures were positive, looking beneath the surface we continue to see a double digit decline in the number of women and girls and teenagers playing tennis. These are two areas of specific focus for us in 2017 and beyond. We also know that the participation turnaround was buoyed by the inspiration generated by our nation's top players, meaning we need to continue to build the necessary foundations for growth in grassroots tennis.

2. **Community Development:** Our next business objective was to continue to develop the partnerships and infrastructure that will make it easier for people to play tennis in parks. Progress was made as our field team put in place 18 new long term partnerships with Local Authorities (eight more than our target), bringing the total number of long term partnerships to 52. We also challenged ourselves to help increase the number of people playing in 'park hubs' (places with 3 or more tennis courts). Our target was 3% growth in the number of players. However, led by great park court operators, these hubs delivered an exceptionally strong 36% increase in the number of people using the courts. In addition, our programme to work with smaller organisations to deliver tennis programmes on more isolated park courts led to 2,607 new players, more than double our target.

Finally, we continued to grow the number of Local Tennis Leagues, reaching our target to double the number of leagues in the year, which now stands at 158, and increasing the number of players in these leagues to 7,743 (just short of the 8,000 target). We know this programme has huge potential and we are targeting 12,000 unique players in 2017.

Strategic Report (continued)

3. **Workforce:** Another key priority in 2016 was to build and better support the frontline: the British tennis coaching workforce. We achieved our target of recruiting and training 900 inspirational coaches to run the highly successful Tennis for Kids programme on our behalf. This was not just a numbers game. We did this in a way that has helped lay the foundation for transforming our relationship with coaches with more two-way dialogue. We already have nearly 1,100 coaches (500 new) signed up for the 2017 programme.

In addition, after extensive external consultation, we successfully launched a new and improved Coach Accreditation scheme. The revamped LTA professional membership scheme for coaches unlocks a range of educational opportunities to support career development and a first-class package of benefits. Our target was to have 850 coaches signed up by the end of 2016 from a late September launch and we surpassed this target with 1,100 signing up.

4. **Children and Young People (CYP):** At the end of 2015 Great Britain won the Davis Cup and 2016 was about capitalising on this 'moment' to inspire the next generation of players. We are very proud to have far exceeded our target of delivering, through an inspired coaching work force, free tennis lessons to at least 10,000 children through the Tennis for Kids Davis Cup initiative, providing lessons to no less than 13,250 five to eight year olds. Furthermore, we challenged ourselves and the coaches to make this more than a one-off trial programme with a target of ensuring at least 10 per cent of these young players joined an on-going tennis programme. The result exceeded our expectations with 43% joining a club or signing up for follow-up courses. That meant thousands of the children introduced to fun tennis are still involved in our game because they have come back for more!

We also tasked ourselves with developing a robust youth strategy to keep more teenagers in the game for longer, and to bring new teenagers into the game. The development of this strategy was supported by extensive external consultation with a broad variety of organisations outside of tennis and sport that have successfully engaged teenagers. As we move into 2017, this strategy will be developed into an operational plan that will allow us to engage with this audience in a more strategic and insight-led way than ever before.

5. **Performance:** During the spring we conducted a valuable and extensive external stakeholder consultation process to evolve a series of performance guiding principles that will shape the approach to deliver world class performance results for Great Britain. The final principles were approved by our Board in June. By the summer we announced the appointment of Simon Timson as our full time Performance Director, who took office in November after leading GB to a record haul of medals in Rio from his Performance Director position at UK Sport. Simon and the performance team will shape the guiding principles into robust strategies and operational plans in 2017. Alongside this, significant work has been completed on the national performance project to strengthen the junior development pathway to prepare more juniors for future international success and to inspire our future tennis workforce.
6. **Clubs:** Our aim was to increase club satisfaction with the LTA to 50 per cent and we achieved 47 per cent. This was a disappointing result and we will continue to work closely with our clubs to improve satisfaction. During the year we increased support for our 2,700 strong club network. This included putting in place a new Play Tennis Fund which makes available small grants to clubs that have great ideas to attract 14-25 year olds to play tennis. Through this fund we supported 82 projects which has already grown the number of players in this age group by over 7,000. We also continued to provide the tools to run the popular Great British Tennis Weekends (which were held at 1,000 venues) and the increasingly popular and family friendly Quorn Family Cup and Benenden Festival formats.

## Strategic Report (continued)

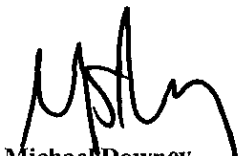
As well as providing loans and grants to clubs, we also ran two pilot projects to help clubs manage financial pressures. Around 75 clubs received expert advice on how to identify and access grant funding and how to operate their clubs more efficiently.

These business objectives reflect the major priority areas for our work in 2016. However, we also achieved many other outcomes that contributed to cementing the foundations of our sport. These include delivering a successful advertising campaign pilot in 4 cities under the call to action "Go Hit It", the staging of nine world-class major events, delivering a Davis Cup Trophy Tour across the nation and investing in facilities, technologies and infrastructure. Further information about these activities can be found in the LTA Annual Review.

We move into 2017 having made great strides in 2016, but there is still so much more to be done. However, beginning the year with positive monthly participation figures for the sport is a great base from which to launch our efforts to help tennis turn the corner and achieve sustainable growth. One year of growth is not a trend, but it is a positive sign that must be built upon.

Before I finish, I would like to extend my gratitude to LTA Board members Robert Battersby, Chelsea Warr and Richard Walmsley who this year stepped down from their roles on the Board. They dedicated an immense amount of time, expertise and energy to ensuring that everything we do is for the benefit and future of tennis. On behalf of everyone in British tennis I would also like to thank Cathie Sabin OBE whose term as LTA President came to an end this year. Cathie set out with a mission to 'look after the future' of British tennis and worked tirelessly to achieve this, championing volunteers and travelling the length and breadth of the country to visit clubs and park tennis courts. Cathie also travelled across the world representing British tennis at major events.

Finally, I would like to thank every volunteer and partner that has worked with us tirelessly over the last year (and many years before that) to deliver some exciting green shoots for the sport that we all love. Thank you, we simply could not do it without you.



**Michael Downey**  
Chief Executive Officer  
26 April 2017

This report can be read in conjunction with the LTA Annual Review 2016 which can be viewed online at [www.lta.org.uk](http://www.lta.org.uk)

Strategic Report (continued)

## **Financial Review**

### **Overview**

The Finance and Governance Report and financial statements of Lawn Tennis Association Limited (LTA) detail the financial investments made by the LTA and its subsidiaries (together 'the LTA Group') in supporting the growth of British tennis during the 12 months to 31 December 2016.

The LTA maximises the income available to British tennis and invests it effectively to deliver the LTA's mission of getting more people playing tennis more often whilst at the same time safeguarding the assets of the LTA Group. 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 produces a tennis return by increasing the number of people playing tennis more often.

The LTA works closely with the Tennis Foundation (TF), an independent charity (charity number – 298175), 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 2016, the LTA donated £7.3 million (2015: £7.1 million) towards these activities. However, as an independent body, the TF is not included in the LTA Group financial statements and publishes its own financial statements that provide additional information on its remit and expenditure.

In 2012, the LTA Trust was established as a registered charity (charity number - 1148421) and a wholly owned subsidiary of the LTA. However, the LTA Trust is not consolidated within the results of the LTA Group as the LTA has no control over the decision making of the Board of the LTA Trust. 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 (2015: £nil). Full details of the non-consolidated assets of the LTA Trust are set out in note 11.

In 2015, the LTA Group adopted FRS 102 'the financial reporting standard applicable in the UK and Republic of Ireland' and the financial statements, supporting notes and prior year comparatives have been presented on this basis. 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 2016, the LTA Group's revenue was £64.5 million (2015: £63.5million) and operating expenditure was £66.4 million (2015: £62.7 million), generating an operating loss of £1.9 million (2015: £0.8 million profit).

The LTA Group generated other income of £3.5 million (2015: £1.6 million) from net gains on its investment portfolio (including £2.8 million (2015: £0.1 million) gain on revaluation of the investments to fair value at 31 December 2016, in accordance with FRS 102) and from interest on the consideration owed by The All England Lawn Tennis Club (Championships) Limited ("AELTC") in relation to the sale by the LTA of the investment in the All England Lawn Tennis Ground Company (AELTG) in 2013.

A tax charge of £2.6 million (2015: £1.2 million) was incurred delivering a loss for the year of £1.0 million (2015: £1.2 million profit).

Strategic Report (continued)  
Financial review (continued)

**REVENUE**

The LTA Group revenue increased slightly during the year at £64.5 million (2015: £63.5 million).

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

	<u>Year ended 31 Dec 2016 £000s</u>	<u>Year ended 31 Dec 2015 £000s</u>	<u>Change £000s</u>	<u>Change %</u>
Revenue from the Wimbledon Championships	37,719	37,139	580	1.6%
Commercial	9,456	8,681	775	8.9%
Major Events	12,128	12,122	6	0.0%
Sport England Revenue Grant	3,492	3,409	83	2.4%
Other Revenue	1,683	2,164	(481)	(22.2%)
<b>Total LTA revenue</b>	<b>64,478</b>	<b>63,515</b>	<b>963</b>	<b>1.5%</b>

**Revenue from the Wimbledon Championships increased**

The £37.7 million (2015: £37.1 million) revenue from the Wimbledon Championships includes £34.4 million (2015: £33.9 million) annual surplus, representing 90% (2015: 90%) of the distributable surplus; £1.0 million (2015: £1.0 million) in support of the summer grass court season; £1.3 million (2015: £1.2 million) for the management and supply of umpires and other officials in partnership with the Association of British Tennis Officials; £0.6 million (2015: £0.6 million) to gross up for withholding tax incurred at the Wimbledon Championship; and £0.4 million (2015: £0.4 million) in relation to the exercise of warrants over shares on the sale of a commercial partner to a third party by AELTC on behalf of the Wimbledon Championships in 2014.

Although there remain risks and uncertainties on the overall level of the Wimbledon Championships' surplus in the future, the long-term contract between the AELTC and the LTA in respect of the Wimbledon Championships has secured this income source until 2053.

**Growth in Commercial revenues**

The LTA's commercial activities produced £9.5 million (2015: £8.7 million) of revenue. Contracts are in place with our lead sponsor Aegon and official partners BNP Paribas, Highland Spring, Nike and Wipro until December 2017. Negotiations are on-going in respect of renewals and new sponsors for 2018 onwards.

We continue to work alongside our official suppliers: Babolat, Europcar, Hackett, La Manga Club, LATAM, Moët & Chandon, Quorn, Rado, Ricoh and Thomson Reuters. During the year, Accolade, Benenden, Haagen Daaz, Iberian Ham, Ladival, Nature Valley, Pandora, Peugeot Pharmaton and Roddax were added as official suppliers.

**Stable revenue from Major Events**

The revenue from the major events remained stable at £12.1 million (2015: £12.1 million) despite fewer Davis Cup home ties. Notwithstanding a continued difficult economic climate, all the summer grass court events were successful with increased revenue at our ATP and WTA events at

Strategic Report (continued)  
Financial review (continued)

the Aegon Championships (at The Queen's Club), the Aegon Classic (at Edgbaston Priory Club), Aegon International (at Eastbourne's Devonshire Park) and Aegon Open events (at Nottingham).

During the year we were pleased to announce the following in relation to the Aegon Championships at The Queen's Club: extension of the staging agreement for a further 10 years; a commitment to increasing the seating capacity of Centre Court for the 2017 event in partnership with The Queen's Club; an extension of the BBC coverage until at least 2024; and Andy Murray committing to play at the event for the remainder of his career. These announcements will support the continued financial success of the event.

Despite another successful performance in the Davis Cup where GB reached the semi-final stages, revenue from this source was slightly down due to only two home ties compared to three in the prior year. The LTA continued to support the Barclays ATP World Tour Finals at The O2 Arena in November 2016.

**Sport England Revenue Grant increased**

Sport England revenue grants of £3.5 million (2015: £3.4 million) reflected the third and fourth year of the current Whole Sport Plan funding arrangements that commenced in April 2013.

In addition, Sport England made available £1.3 million (2015: £0.7 million) of capital grants under the Whole Sport Plan for investment in venues across England. This funding is drawn down as it is committed into venues that have asked for help in developing their facilities and is not included in the LTA's income statement. This is a transparent process with each pound received invested without deduction. The Board and Executive continue to work in partnership with Sport England on the implementation of the participation strategy.

Post year-end, Sport England announced their continued support of British tennis for a further four years with a potential £9.4 million investment (£1.2 million conditional on the delivery of agreed outcomes) in our talent and participation programmes across the LTA and TF.

**Other Revenue decreased**

Other revenue of £1.7 million (2015: £2.2 million) arises from a range of activities that the LTA oversees, including British Tennis membership, county association registration fees, coaching courses, other grants, National Tennis Centre income and programme funding. The reduction during the year was due to the outsource of the day to day management of the National Tennis Centre to 14forty, a division of the Compass Group. Whilst revenue now goes directly to 14forty from this source, the savings generated result in a positive financial contribution as we continue to focus on reducing the net business support costs of the LTA.



## OPERATING EXPENDITURE

The operating expenditure of the LTA Group for the 12 months ended 31 December 2016 was £66.4 million (2015: £62.7 million). This increase was primarily as a result of the planned increased investment in participation in line with our mission of getting more people playing tennis more often.

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

	<u>Year ended 31 Dec 2016 £000s</u>	<u>Year ended 31 Dec 2015 £000s</u>	<u>Change £000s</u>	<u>Change %</u>
<b>Direct operating expenditure</b>				
Participation	18,846	14,726	4,120	28.0%
Performance	8,473	9,715	(1,242)	(12.8%)
Commercial, Major Events and Marketing	29,612	29,137	475	1.6%
Business Support	4,909	4,959	(50)	(1.0%)
Depreciation	3,082	2,999	83	2.8%
Capital Grants	1,436	1,198	238	19.9%
<b>Total operating expenditure</b>	<b>66,358</b>	<b>62,734</b>	<b>3,624</b>	<b>5.8%</b>

The expenditure is presented in line with the LTA's defined roles: Participation, Performance, Commercial, Major Events and Marketing, and Business Support. However, these activities are interlinked and support each other in delivering our mission. The allocation assumptions of expenditure to particular areas are, therefore, intended to give an indication of the relative weight of investment in the different elements.

### Investment in Participation: Getting more people playing tennis more often

Participation expenditure of £18.8 million (2015: £14.7 million) was on a wide range of initiatives across our strategic focus areas of clubs, communities, children and young people in partnership with the TF. Direct investment by the LTA was £11.5 million (2015: £7.6 million) supplemented by a donation to the TF of £7.3 million (2015: £7.1 million) 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 £22.8 million (2015: £18.5 million). The analysis below of the £22.8 million (2015: £18.5 million) highlights the LTA's investment in participation both directly and in partnership with the TF.

£12.1 million (2015: £8.7 million) was invested in support of participation in community and club environments across an array of activities. Building on our successful Davis Cup campaign in 2015, we created and implemented a Tennis for Kids programme that provided free lessons and equipment to 13,250 5-8 year olds; 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.

£2.1 million (2015: £1.7 million) was invested in recreational and national competitions to establish a structure that provides both formal and informal competition for adults and juniors.

Strategic Report (continued)  
Financial review (continued)

Recreational competitions introduced in 2015 including The Quorn Family Tennis Cup and the Benenden Tennis Festivals increased in popularity and our partnership with Local Tennis Leagues, which commenced in 2015 continued to be a success with the number of leagues almost doubling to 158 in 2016.

£1.9 million (2015: £1.6 million) was invested across the full spectrum of coaching qualifications from level 1 to master club and performance level, coach workshops and the development and launch of the new and improved Coach Accreditation scheme.

£6.7 million (2015: £6.5 million) was invested in tennis for disabled people and tennis in education. This included £1.8 million (2015: £1.8 million) invested in education with the Schools Tennis programme continuing to grow. 21,800 (2015: 20,512) schools have been supported with free teacher training, resources and equipment in primary, secondary and special schools since the inception of the programme in 2009. A further £4.8 million (2015: £4.7 million) was invested in disability development, disability events and disability performance. The TF supported 333 (2015: 213) 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, bespoke competition offers were created for each impairment group that the TF works with following consultation with players, parents and carers to understand players' needs. 2016 was another successful year for disability performance with 68 titles won on the ITF Wheelchair Tennis tour and six medals won at the Rio Paralympic Games.

**Performance: creating a culture of striving for excellence**

A key driver of our Strategic Plan is the continued establishment of a world class High Performance programme, with investment focussed on allocating resources to those players, coaches and venues with the ability to achieve the performance targets set. During the year a detailed external stakeholder consultation was undertaken and guiding principles were established that will form the basis of our investment in 2017.

The focussed strategy resulted in a reduced investment in performance of £8.5 million (2015: £9.7 million).

**Commercial, Major Events and Marketing: jump starting the peak summer season and targeting programmes and marketing to our priority player groups**

Commercial, Major Events and Marketing expenditure was £29.6 million (2015: £29.1 million), the increase due to additional investment in marketing, including the strengthening of the team in support of our Participation Strategy.

Across the Major Event grass court calendar we invested £ 15.1 million (2015: £14.2 million) to put on nine tournaments across the country.

In addition to the summer grass court season, £8.7 million (2015: £10.7 million) was invested in three Davis Cup ties (2015: four), the Barclays ATP World Tour Finals, officiating at the Wimbledon Championships and other major events and the cost of servicing sponsors.

Investment in marketing increased to £5.8 million (2015: £4.2 million) as we placed more time and resource in attracting new participants to tennis. This included further investment in insight to gain a better understanding of our participants and the launch of the 'Go Hit It' media campaign across several media platforms. We also increased our online activity, putting more resource behind our Twitter, Facebook, Instagram and YouTube profiles.

Strategic Report (continued)  
Financial review (continued)

**Business support and depreciation: operating an efficient and effective governing body**

Expenditure on business support and depreciation of £8.0 million for the year ended 31 December 2016 was in line with the previous year. Business support expenditure of £4.9 million (2015: £5.0 million) represents the net core business support costs required for the operation and governance of the LTA and 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.

In the 2015 Finance and Governance report, a contingent liability was disclosed in relation to an on-going dispute between The LTA and AELTC with HM Revenue and Customs ("HMRC") regarding the tax treatment of the disposal in 2003 of certain shares by AELTC. Both the LTA and AELTC maintained that the gain and tax had been correctly accounted for and therefore no provision for the potential £1 million liability had been recognised. In 2016, HMRC agreed that the gain and tax had been treated correctly by the LTA and AELTC, the case was closed and professional fees incurred since the notification of the tribunal were partially refunded. However, this has resulted in higher than normal tax fees in 2016 and 2015 as disclosed in note 3.

**Capital grants: Result orientated facility investment**

Financial support to improve facilities is one way the LTA help clubs thrive and attract new players. In 2015 we reduced the red tape for loan funding and grant applications and we continued to see an increase in expressions of interest in 2016 as a result. In 2016 we invested £1.2 million of capital grants (2015: £1.2 million) and £2.8 million of loans (2015: £3.0 million) in facilities. In addition we received and invested £1.3 million (2015: £0.7 million) of Sport England Whole Sport Plan funding, resulting in a total investment in facilities of £5.3 million (2015: £4.9 million) to 81 clubs (2015: 68) to improve their courts and facilities. Partnership funding from applicants in support of these projects amounted to £23.2 million (2015: £11.0 million). This investment in facilities created 20 new or refurbished indoor courts, 112 new floodlit courts, 254 outdoor new or refurbished courts and 11 clubhouses.

**Statement of Financial Position**

The LTA Consolidated Group statement of financial position shows net assets of £144.4 million (2015: £145.4 million). This excludes the independently managed assets of the TF and the LTA Trust.

£83.2 million (2015: £78.9 million) is invested in non-current assets - intangibles, property plant and equipment and fixed asset investments. In 2016, the LTA committed to the expansion of the Centre Court at the Aegon Championships in partnership with The Queen's Club. £1.6 million has been recognised as an intangible asset in the year due to the future economic benefit that will result to the LTA from this expenditure. The intangible asset will be amortised over 20 years representing the anticipated life of the asset, amortisation commencing in 2017. The LTA continued the amortisation of the ATP 500 sanction acquired in 2014 at a cost of £2.1 million following the upgrade of the Aegon Championships in June 2015. These costs have been capitalised as an intangible asset and are being amortised over the life of the agreement to 2022 resulting in a net book value at 31 December 2016 of £1.6 million (2015: £1.8 million). £34.3 million (2015: £34.4 million) is invested in property plant and equipment including the National Tennis Centre. £45.8 million (2015: £42.7 million) is held in our 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 Group's annual income. This reserves policy was reviewed and affirmed by the Board during the year. As at 31 December 2016 external investments were revalued to fair value in accordance with FRS 102.

**Strategic Report (continued)**  
**Financial review (continued)**

The net current assets of £61.4 million (2015: £66.7 million) include the balance of the receivable from the Wimbledon Championships for the 2016 Championship surplus of £31.4 million (2015: £24.9 million), the receivable from AELTC in respect of the sale of the All England Lawn Tennis Ground Company (AELTG) of £10.0 million (2015: £15.0 million), net loans to 'places to play' of £9.4 million (2015: £7.9 million) (repayable over up to 10 years) and the development funding for West Hants LTC of £3.6 million (2015: £3.8 million) repayable in equal instalments over the next 24 years. The trade and other payables due within one year of £16.5 million (2015: £15.0 million) includes capital accruals of £2.3 million (2015: £nil) in relation to the expansion of the Centre Court at The Queen's Club for the Aegon Championships and site development of Devonshire Park, Eastbourne for Aegon International in partnership with Eastbourne Borough Council and capital grant commitments to venues of £2.1m (2015: £1.9 million).

## Corporate governance review

The LTA is the national governing body for tennis in Great Britain, the Channel Islands and the Isle of Man, and its mission is to get more people playing tennis more often. Its membership consists of various bodies that have an interest in the development and promotion of British tennis including the 36 English counties, Tennis Scotland, Tennis Wales, the Channel Islands LTA, the Isle of Man LTA, the All England Lawn Tennis Club and the Tennis Foundation.

The LTA aspires to be a leading and forward-looking national governing body. It embraces the principles of good governance as set out in the UK combined code with particular regard to integrity, transparency and accountability with a clear focus on generating value and an appropriate return on its investments in British tennis.

In 2016, the LTA Council carried out a further review of its governance processes and procedures, with the recommendations arising from that review due to be considered at its Annual General Meeting in May 2017. Cognisant of the requirements for sports governing bodies outlined in the new *Code for Sports Governance, to be applied from 2017*, a number of other changes designed to increase compliance with the new code will also be considered as the LTA moves towards full compliance.

The primary governance documents of the organisation are the Rules of the LTA\*, the Standing Orders\* and the Articles of Association. These are available for review and download via the LTA website at <http://www.lta.org.uk/About-Us/>.

## 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.

## 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, two Councillors who chair Tennis Committees, and three independent board members together are the 10 non executive members of

Strategic Report (continued)  
Corporate governance review (continued)

the Board. The Board also has two executive members, the Chief Executive Officer and the Finance Director.

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

The terms of appointment to the Board are under review. Currently the Chairman has an initial term of four years, and with the approval of the Board and Council, may continue to serve for up to a further six 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 including the chairs of the Tennis Committees, are elected to the Board for a term of three years, and may, if re-elected, serve a second term. The Chairman and President's jointly nominated independent Board member may serve a maximum unbroken term of six years. Other independent Board members are appointed for an initial term of three years, and with the Board's approval may serve up to two further terms of three years.

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 2016 it met five times.

The Board members during the year and to the date of signing this report were:

Name	Description	No. of meetings attended in year
David Gregson	Chairman of the Board	5 out of 5
Cathie Sabin	President (resigned 31 December 2016)	4 out of 5
Martin Corrie	Deputy President and Non-Executive Director	3 out of 5
Richard Baker	Independent Non-Executive Director	4 out of 5
Robert Battersby	Chairman, Tennis Development Committee, Non-Executive Director (resigned 6 March 2017)	5 out of 5
Clare Hollingsworth	Independent Non-Executive Director	5 out of 5
Nicola Maskens	Council-elected Non-Executive Director	5 out of 5
David Rawlinson	Council-elected Non-Executive Director	5 out of 5
Richard Walmsley	Chairman, Tennis Performance Committee (resigned 31 December 2016)	5 out of 5
Chelsea Warr	President's and Chairman's Nominee, Non-Executive Director (resigned 14 September 2016)	4 out of 5
Michael Downey	Chief Executive Officer	5 out of 5
Simon Steele	Finance Director (appointed 28 November 2016)	1 out of 1
Craig Haworth	Council-elected Non-Executive Director (appointed 6 January 2017)	
Sandi Proctor	Council-elected Non-Executive Director (appointed 6 January 2017)	

Stephen Farrow was the LTA's Company Secretary during the year and attended four of the five board meetings in that 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.

Strategic Report (continued)  
Corporate governance review (continued)

The Chairman is responsible for ensuring the Board's effectiveness. Each year the Board reviews its performance using a variety of methods including questionnaires and interviews facilitated by an external organisation. Issues addressed include the function of the Board and each of its committees and an assessment of the Chairman by his peers. The Board debates the outcome of the review and agrees any necessary changes to better support the delivery of the strategy and the Executive.

### 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. As at 31 December 2016, the Executive team consisted of:

Michael Downey, Chief Executive Officer  
Stephen Farrow, LTA Legal Director and Tournament Director, Aegon Championships  
Alastair Marks, Participation Director  
James Mercer, Commercial Director  
Olly Scadgell, Director of Major Events and Competitions  
Simon Steele, Finance 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. Its terms of reference are set out in the LTA Governance Structure Document\*.

The Audit Committee reports to the Board and meets four times a year. The Audit Committee Chair makes an annual report to Council.

The Audit Committee members during the year were:

Name	Description	No. of meetings attended in year
Clare Hollingsworth (Chair)	Independent Non-Executive Director	4 out of 4
David Rawlinson	Council-elected Non-Executive Director	4 out of 4
Martin Corrie	Deputy President and Non-Executive Director	3 out of 4
Margaret Ewing	Co-opted Independent External Member	4 out of 4

The Finance Director, Chief Executive Officer, President and the LTA's external auditors attended the Audit Committee meetings in 2016 by invitation.

Grant Thornton was appointed as internal auditors to the LTA in December 2015. Findings and recommendations from internal audit reviews undertaken in 2016 were presented to the Committee.

Strategic Report (continued)  
Corporate governance review (continued)

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 auditor's objectivity and independence.

**ii) Nominations Committee**

The Board Nominations Committee keeps the composition of the Board under review and considers the appointments of Councillors and independent members of the Board and succession planning at senior levels of management.

The Nominations Committee members during the year were:

<b>Name</b>	<b>Description</b>	<b>No. of meetings attended in year</b>
Cathie Sabin (Chair)	President	5 out of 5
Martin Corrie	Deputy President and Non-Executive Director	3 out of 5
David Gregson	Chairman of the Board	5 out of 5
David Rawlinson	Council-elected Non-Executive Director	5 out of 5
Michael Downey	Chief Executive Officer	5 out of 5

Stephen Farrow was the LTA's Company Secretary during the year and attended 5 of the 5 meetings in that capacity.

The nomination procedures for Board, committees and panels are set out in the LTA Governance Structure Document\*.

**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. Its terms of reference are set out in the LTA Governance Structure Document.

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:

<b>Name</b>	<b>Description</b>	<b>No. of meetings attended in year</b>
Richard Baker (Chair)	Independent Non-Executive Director	3 out of 3
Cathie Sabin	President	1 out of 3
David Gregson	Chairman of the Board	3 out of 3

David Rawlinson attended one meeting in place of Cathie Sabin. The Chief Executive Officer and People Director attended the Committee meetings in 2016 as appropriate.



**Strategic Report (continued)**  
Corporate governance review (continued)

The strategic report on pages 3 to 17 was approved and authorised for issue by the Board on 26 April 2017 and is signed on its behalf by:



Michael Downey  
Chief Executive Officer

\* All of the documents mentioned in this report can be accessed and downloaded via the LTA website at <https://www.lta.org.uk/about-the-lta/>

## **Report of the Directors of the Lawn Tennis Association Limited for the 12 months ended 31 December 2016**

### **INTRODUCTION**

The directors present their report, strategic report and the audited Group financial statements of Lawn Tennis Association Limited (LTA) and its subsidiaries for the 12 months ended 31 December 2016.

### **PRINCIPAL ACTIVITIES**

The LTA is the governing body of tennis in Great Britain, the Channel Islands and the Isle of Man. Its mission is to get more people playing tennis more often. The Company also acts as the holding company for the Group's investment portfolio.

### **GOVERNANCE**

Details of the governance structure of the LTA, the role of the Board, key committees and the names of the Board members are set out in the Corporate Governance Review section of this report.

### **RESULTS AND DIVIDENDS**

The Group loss for the year after taxation amounted to £1.0 million (2015: £1.2 million profit). Under the LTA Rules, the LTA may not pay a dividend or distribute its retained reserves or funds to its members.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

There are a number of risks which could affect the LTA's long-term performance and financial position. The Executives are responsible for identifying and reviewing the risks to the Group and reporting these to the Audit Committee and the Board. Controls and suitable actions are put in place to mitigate these identified risks as far as is possible and practical. The Audit Committee is responsible for assessing the LTA's internal controls.

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 the non receipt of revenue from the Wimbledon Championships is mitigated by a long term contract in place for a further thirty seven years. Given the large contribution that the Wimbledon Championships makes to the LTA's total results, the Group is still exposed to a potential catastrophic loss of revenue in any single year due to cancellation or severe curtailment of the Wimbledon Championships. Further steps to mitigate or protect against this risk are in place for future years, particularly with respect to the roof over Centre Court and the planned roof on No. 1 Court, providing protection against weather losses and insurance covering major curtailment or abandonment risks where possible. There are isolated risks that are not insurable or capable of mitigation, in relation to the Wimbledon Championships and also the LTA organised major events, that could have a material impact on revenue streams associated with these events but these are considered remote. Sport England has confirmed funding in support of our talent and participation programmes over the next four years. Key contracts with our commercial partners are due for renewal in 2017 and negotiations are on-going in relation to renewals and new sponsors. 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 Group holds investments in shares, hedge funds, fixed income products and corporate bonds as part of its overall investment strategy (valued at £45.8 million at 31 December 2016). The Group has appointed independent specialist investment managers to manage the portfolio on the LTA's behalf in accordance with the agreed medium/low risk profile and independent specialist advisers, who monitor the performance of the investment managers. However, it is recognised that any investment portfolio is subject to market fluctuations and external factors. The investment

## **Report of the directors (continued)**

policy is approved by the Board and the Investment Advisory Group oversees the implementation of this policy. 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 of getting more people playing tennis more often 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 commercial partners. We have a long term strategic plan and resources are allocated appropriately to deliver our mission. Further information on the delivery of the strategy can be found in the Annual Review.

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.

### **EQUALITY**

The LTA is committed to making tennis accessible and open to everybody. Our 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 protects and upholds all protected characteristics and makes reasonable adjustments to create an inclusive and accessible working environment for all staff.

Creating a safe and inclusive tennis environment wherever people play tennis is of paramount importance to us and we work in partnership with a wide range of organisations to achieve this. It sits right at the heart of our mission, helping to maintain a positive image for the sport and allowing us to reach a wide and diverse audience of potential new players.

Safeguarding training is mandatory for accredited coaches, Welfare Officers at Tennismark venues and LTA colleagues. This work has meant that we have maintained our NSPCC assessment rating of green – the highest possible level. Staff also receive diversity and inclusion training.

### **EMPLOYEE ENGAGEMENT**

Engaging our employees with the British Tennis strategy (the what) and our values behaviours of Passion, Integrity, Teamwork and Excellence (the how) is a key element of our people strategy. Aligned to the British Tennis strategy, in 2015 we began our new approach to engagement by launching our "Talking Points" annual employee survey. Supported by a team of colleague representatives, the outcomes of 2015 and 2016 survey have been addressed and initiatives put in place to ensure colleagues are engaged in doing great work. The results of 2016 significantly improved in a number of areas including being kept informed of strategy, morale and being able to learn from other colleagues. During 2016, engagement initiatives included a new employee recognition programme, a training programme for managers and more opportunities for cross-team communication. To ensure colleagues are kept well informed a monthly all-staff meeting is hosted by the CEO, a monthly employee newsletter "People News" is produced and team meetings are held to share information and gather feedback from employees.

## Report of the directors (continued)

### **DIRECTORS**

The directors of the company who served during the year and up to the date of signing the financial statements are listed below:

Richard Baker

Robert Battersby (resigned 6 March 2017)

Martin Corrie

Michael Downey

David Gregson

Craig Haworth (appointed 6 January 2017)

Clare Hollingsworth

Nicola Maskens

Sandi Proctor (appointed 6 January 2017)

David Rawlinson

Cathie Sabin OBE (resigned 31 December 2016)

Simon Steele (appointed 28 November 2016)

Richard Walmsley (resigned 31 December 2016)

Chelsea Warr (resigned 14 September 2016)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

### **DISCLOSURE OF INFORMATION TO AUDITORS**

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved, that:

Report of the directors (continued)

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A handwritten signature in black ink, appearing to read 'David Gregson', with a stylized flourish at the end.

David Gregson  
On behalf of the Board  
26 April 2017

## **Independent auditors' report to the Members of the Lawn Tennis Association Limited**

### **REPORT ON THE FINANCIAL STATEMENTS OUR 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 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **WHAT WE HAVE AUDITED**

The financial statements, included within the LTA Finance and Governance Report (the "Annual Report"), comprise:

- the group and the company statements of financial position as at 31 December 2016;
- the group income statement for the year then ended;
- the group statement of cash flows for the year then ended;
- the group and company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

#### **ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED**

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

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

Independent auditor's report to the Members of the Lawn Tennis Association Limited  
(continued)

#### **DIRECTORS' REMUNERATION**

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

#### **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

##### **OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS**

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the 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.

##### **WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES**

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

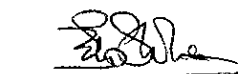
- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
26 April 2017



**Group Income Statement**  
**For the year ended 31 December 2016**

	Note	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Revenue</b>	2	64,478	63,515
Operating expenses		(66,358)	(62,734)
<b>Operating (loss)/profit</b>	3	(1,880)	781
Net finance income	5	1,147	1,262
Net gains on fixed asset investments		2,310	329
<b>Profit on ordinary activities before taxation</b>		1,577	2,372
Tax on profit on ordinary activities	6	(2,623)	(1,207)
<b>(Loss)/profit for the financial year</b>		(1,046)	1,165
<b>Statement of Comprehensive Income</b>			
<b>(Loss)/profit for the financial year</b>		(1,046)	1,165
<b>Total comprehensive (expense)/gain for the year</b>		(1,046)	1,165

All of the Group's activities are continuing.

There are no material differences between the profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents for either 2016 or 2015.

The notes on pages 30-53 form an integral part of these financial statements.



**Group Statement of Financial Position**  
**As at 31 December 2016**

	Note	31 Dec 2016 £'000s	31 Dec 2015 £'000s
<b>Non current assets</b>			
Intangible assets	7	3,190	1,820
Property, plant and equipment	8	34,289	34,389
Fixed asset investments	9	45,762	42,655
		<b>83,241</b>	<b>78,864</b>
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	13	46,914	39,545
Trade and other receivables – amounts falling due after more than one year	13	23,858	27,785
Cash and cash equivalents		7,167	14,294
		<b>77,939</b>	<b>81,624</b>
Trade and other payables – amounts falling due within one year	15	(16,528)	(14,961)
<b>Net current assets</b>		<b>61,411</b>	<b>66,663</b>
<b>Total assets less current liabilities</b>		<b>144,652</b>	<b>145,527</b>
Deferred tax liability	14	(288)	(117)
<b>Net assets</b>		<b>144,364</b>	<b>145,410</b>
<b>Equity</b>			
Retained earnings		119,364	120,410
Retained earnings - other	16	25,000	25,000
<b>Total equity</b>		<b>144,364</b>	<b>145,410</b>

The financial statements on pages 25 to 53 were approved and authorised for issue by the Board on 26 April 2017 and were signed on their behalf by:



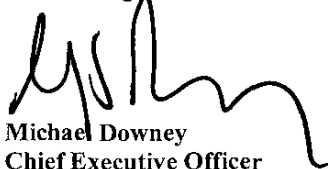
**Michael Downey**  
**Chief Executive Officer**

The notes on pages 30-53 form an integral part of these financial statements.

**Lawn Tennis Association Limited 'the Company' Statement of Financial Position**  
**As at 31 December 2016**

	Note	31 Dec 2016 £'000s	31 Dec 2015 £'000s
<b>Non current assets</b>			
Intangible assets	7	1,560	1,820
Fixed asset investments	9	57,558	54,451
		<u>59,118</u>	<u>56,271</u>
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	13	96,522	88,422
Trade and other receivables – amounts falling due after more than one year	13	5,000	10,000
Cash and cash equivalents		218	3,624
		<u>101,740</u>	<u>102,046</u>
Trade and other payables – amounts falling due within one year	15	(1,145)	(1,176)
<b>Net current assets</b>		<u>100,595</u>	<u>100,870</u>
<b>Total assets less current liabilities</b>		<b>159,713</b>	<b>157,141</b>
Deferred tax liability	14	(999)	(593)
<b>Net assets</b>		<u>158,714</u>	<u>156,548</u>
<b>Equity</b>			
Retained earnings		158,714	156,548
<b>Total equity</b>		<u>158,714</u>	<u>156,548</u>

The financial statements on pages 25 to 53 were approved and authorised for issue by the Board on 26 April 2017 and were signed on their behalf by:

  
**Michael Downey**  
 Chief Executive Officer

**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

<b>Group</b>	<b>Retained earnings £'000s</b>	<b>Total equity £'000s</b>
Balance as at 1 January 2016	145,410	145,410
Loss for the financial year	(1,046)	(1,046)
<b>Balance as at 31 December 2016</b>	<b>144,364</b>	<b>144,364</b>

<b>Company</b>	<b>Retained earnings £'000s</b>	<b>Total equity £'000s</b>
Balance as at 1 January 2016	156,548	156,548
Profit for the financial year	2,166	2,166
<b>Balance as at 31 December 2016</b>	<b>158,714</b>	<b>158,714</b>

**Group Statement of Cash Flows**  
**For the year ended 31 December 2016**

	Note	Year ended 31 Dec 2016 £'000	Year ended 31 Dec 2015 £'000s
<b>Net cash used in operating activities</b>			
Group operating (loss)/profit	3	(1,880)	781
Depreciation charge (net of profit/loss on disposal)	8	2,426	2,343
Amortisation charge	7	260	260
Increase in debtors		(7,410)	(9,888)
(Increase)/decrease in outstanding loans to places to play		(1,544)	683
Decrease in creditors		(1,322)	(656)
Taxation paid		(213)	(259)
<b>Net cash outflow generated from operating activities</b>		<b>(9,683)</b>	<b>(6,736)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire intangible fixed assets		(991)	(214)
Payments to acquire tangible fixed assets		(1,436)	(2,515)
Receipts from sale of fixed asset investments		11,324	7,984
Payments to acquire fixed asset investments		(12,488)	(8,887)
Proceeds from sale of joint venture		5,000	5,000
Interest received		240	314
Dividends received		907	948
<b>Net cash generated from investing activities</b>		<b>2,556</b>	<b>2,630</b>
<b>Net decrease in cash and cash equivalents</b>			
		(7,127)	(4,106)
Cash and cash equivalents at the beginning of the year		14,294	18,400
<b>Cash and cash equivalents at the end of the year</b>		<b>7,167</b>	<b>14,294</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		7,167	14,294
<b>Cash and cash equivalents</b>		<b>7,167</b>	<b>14,294</b>

The notes on pages 30-53 form an integral part of these financial statements

## **Notes to the financial statements**

### **1. Accounting policies**

#### **General information**

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

#### **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 and under FRS 102 which was adopted in the prior year.

##### **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;
- from disclosing the Company's key management personnel compensation, as required by FRS 102 paragraph 33.7 as the information is provided in the consolidated financial statement disclosures.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 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 profit for the year ended 31 December 2016 was £2.2 million (year ended 31 December 2015: £1.0 million).

#### e) Basis of consolidation

The Group financial statements consolidate the financial statements of the Lawn Tennis Association Limited ('the Company') and its subsidiary undertakings (but excluding the LTA Trust) made up to 31 December 2016. The profits and losses of subsidiaries are consolidated from the date of acquisition to the date of disposal.

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. The Lawn Tennis Association (unincorporated) is not directly owned by the Group but meets the definition of a quasi-subsidiary under paragraph 9.1 and 9.11 of FRS 102 as it is managed on a unified basis by the Company. As such, it has been accounted for in the same way as other subsidiaries and has been fully consolidated into the Group financial statements.

The LTA Trust was established (a registered charity) as a wholly owned subsidiary of Lawn Tennis Association Limited in 2012 (charity number 1148421). During the year, the Board of The LTA Trust comprised two LTA Directors and four Independent Trustees and therefore, as the LTA Group does not exercise control over the operating decisions of The LTA Trust, it has not been consolidated into the results of the LTA Group.

#### 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 supplement and amended by various agreements or deeds, most recently in 2013 between The All England Lawn Tennis & Croquet Club (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 with a donation made to the Tennis Foundation 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, exercise of warrants over shares, 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.

## **Notes to the financial statements**

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

#### **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 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 profit and loss account 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.

#### **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.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### **m) Property, plant and equipment and depreciation (continued)**

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

The following asset lives are used:

Long leasehold land and buildings	125 years
Freehold buildings and tennis courts	10 to 50 years
Motor vehicles	4 years
Furniture and equipment	3 to 20 years
Computer equipment	4 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.

#### **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 are held i.e. other investments, are measured at fair value with movements going through profit and loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.



## Notes to the financial statements

### 1. Accounting policies (continued)

#### **p) Hedging**

The Group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

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

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

Where foreign currency borrowings (including forward exchange contracts) are used to finance or provide a hedge against the exchange risk associated with existing foreign fixed-asset investments denominated in foreign currency, the investments are re-translated at each statement of financial position date at the exchange rates ruling at the 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

## Notes to the financial statements

### 1. Accounting policies (continued)

#### *(ii) Financial liabilities (continued)*

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.

#### *(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:**

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:**

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.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### t) Employee benefits (continued)

##### **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.

#### 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 2015 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.

## **Notes to the financial statements**

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

#### **iv) Amendments to Section 27: Impairment of assets:**

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

#### **v) Amendments to Section 33: Related party disclosures:**

The Group has adopted the amendments to para 33.2(viii) of FRS 102. The amendments clarify the increase in scope of related parties by including an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity, as being a related entity. As the Group already discloses all of its parent-subsidiary relationships in note 20, the application of amendments has no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

## Notes to the 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.

	Revenue		Profit on ordinary activities before taxation	
	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
Group	64,478	63,515	(1,880)	781
Net gains on fixed asset investments			2,310	329
Net finance income (note 5)			1,147	1,262
<b>Total</b>	<b>64,478</b>	<b>63,515</b>	<b>1,577</b>	<b>2,372</b>
<b>Net assets</b>			<b>2016 £'000s</b>	<b>2015 £'000s</b>
LTA Group			144,364	145,410

The LTA Group figures above include the Lawn Tennis Association Limited, LTA unincorporated association and Lawn Tennis Association Limited subsidiaries (excluding The LTA Trust).

#### Analysis of revenue by category:

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
Revenue from the Wimbledon Championships	37,719	37,139
Commercial	9,456	8,681
Major events	12,128	12,122
Sport England revenue grant	3,492	3,409
Other revenue	1,683	2,164
	<b>64,478</b>	<b>63,515</b>

## Notes to the financial statements

### 3. Group operating (loss)/profit

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Group operating (loss)/profit is stated after charging/(crediting):</b>		
Amortisation of intangible fixed assets (note 7)	260	260
Depreciation of fixed assets (note 8)	2,426	2,343
Operating lease and other hire charges:		
- Plant and machinery	119	82
- Other	21	275
Auditors' remuneration:		
- Audit fee for parent company and consolidated financial statements	51	43
- Audit fee for audit of subsidiaries	2	2
- Other audit advisory services	-	17
- Tax compliance services	57	54
- Tax advisory services	64	103
Donations payable:		
- Tennis Foundation (note 20)	7,348	7,076
Grant income	(4,001)	(4,026)

### 4. Employees and directors

The average monthly number of employees of the Group during the year was 300 (2015: 296) as follows:

	Year ended 31 Dec 2016	Year ended 31 Dec 2015
Participation	96	104
Performance	50	48
Commercial, major events and marketing	70	57
Business support and governance	84	87
	<b>300</b>	<b>296</b>

The Company has no (2015: 0) employees. The reduced headcount in Participation is due to the timing of vacancies being filled during the year.

## Notes to the financial statements

### 4. Employees and directors (continued)

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

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Group employees</b>		
Wages and salaries	13,334	13,276
Social security costs	1,530	1,537
Other pension costs	759	762
	<b>15,623</b>	<b>15,575</b>
Charge to the Tennis Foundation (note 20)	(2,516)	(2,670)
	<b>13,107</b>	<b>12,905</b>
	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Directors' remuneration</b>		
Aggregate salaries and benefit in kind	357	526
Variable pay due under short term incentive schemes	67	75
Company pension contributions to money purchase scheme	32	33
	<b>456</b>	<b>634</b>
Compensation for international cost of living impact	40	40
<b>Aggregate emoluments</b>	<b>496</b>	<b>674</b>

The aggregate emoluments were paid to two directors, one of whom was employed for only part of 2016 (2015: two). Variable pay is based upon personal objectives, agreed targets and performance measures. Retirement benefits are accruing to two (2015: two) directors under a money purchase scheme.

## Notes to the financial statements

### 4. Employees and directors (continued)

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Highest paid director</b>		
Aggregate salaries and benefit in kind	314	309
Variable pay due under short term incentive schemes	67	75
Company pension contributions to money purchase scheme	31	30
	<b>412</b>	<b>414</b>
Compensation for international cost of living impact	40	40
<b>Aggregate emoluments</b>	<b>452</b>	<b>454</b>

### 5. Net finance income

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
Group interest receivable	15	14
Interest on deferred consideration	225	300
Income from fixed asset investments	907	948
<b>Net finance income</b>	<b>1,147</b>	<b>1,262</b>



## Notes to the financial statements

### 6. Tax on profit on ordinary activities

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Group taxation:</b>		
<i>a) Tax expense included in Group income statement</i>		
<b>Current tax:</b>		
UK corporation tax on results for the year	1,878	263
Overseas tax	-	479
Adjustment in respect of prior years	592	(617)
<b>Total current tax</b>	<b>2,470</b>	<b>125</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	645	197
Effect of future corporation tax rate changes	18	46
Adjustment in respect of previous years	(511)	839
<b>Total deferred tax</b>	<b>153</b>	<b>1,082</b>
<b>Tax on profit on ordinary activities</b>	<b>2,623</b>	<b>1,207</b>

The tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% average for the year (2015: 20.25%). The differences are explained below:

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<i>b) Reconciliation of Group total tax charge</i>		
Profit on ordinary activities before tax	1,577	2,372
Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 20% (2015: 20.25%) for large entities and 20% (2015: 20%) for smaller entities	315	479
Effects of:		
Expenses not deductible for tax purposes	2,670	418
Accelerated capital allowances and other timing differences	-	217
Income not taxable	(716)	(711)
Other adjustments	254	487
Adjustments in respect of prior years	82	(324)
Adjustments in respect of previous periods – deferred tax	-	595
Effect of future corporation tax rate changes	18	46
<b>Total tax charge</b>	<b>2,623</b>	<b>1,207</b>

## Notes to the financial statements

### 6. Tax on profit on ordinary activities (continued)

In 2016, the UK Corporation tax rate remained unchanged at 20%. Deferred tax balances at 31 December 2016 and 31 December 2015 are being measured at a revised rate of 17% for all entities following the enactment in 2016 of the reduced corporation tax rate from 20% to 19% in April 2017 and from 19% to 17% in April 2020.

### 7. Intangible assets

	<b>Group Commercial Rights £'000s</b>	<b>Company Commercial Rights £'000s</b>
<b>Cost:</b>		
At 1 January 2016	2,080	2,080
Additions	1,630	-
<b>At 31 December 2016</b>	<b>3,710</b>	<b>2,080</b>
<b>Accumulated Amortisation:</b>		
At 1 January 2016	260	260
Charge for the year	260	260
<b>At 31 December 2016</b>	<b>520</b>	<b>520</b>
<b>NBV at 31 December 2016</b>	<b>3,190</b>	<b>1,560</b>
NBV at 1 January 2016	1,820	1,820

In 2016, the LTA Group in partnership with The Queen's Club commenced the works for extending the capacity of the Centre Court at the Aegon Championships which are due to be completed in 2017. The cost of the works are being capitalised as an intangible asset and amortised over 20 years representing the anticipated life of the asset and the future economic benefit that will be derived to the LTA. In 2014, LTA Group acquired the sanction to upgrade the Aegon Championships to an ATP 500 event from June 2015. An initial amount of £429,000 was paid with the remaining balance payable over the 8 years of the sanction.

## Notes to the financial statements

### 8. Property, plant and equipment

Group	Land and buildings £'000s	Motor vehicles £'000s	Furniture, computers & equipment £'000s	Assets under construction £'000s	Total £'000s
<b>Cost:</b>					
At 1 January 2016	36,729	81	18,310	-	55,120
Additions	9	22	1,108	1,248	2,387
Disposals	-	-	(558)	-	(558)
<b>At 31 December 2016</b>	<b>36,738</b>	<b>103</b>	<b>18,860</b>	<b>1,248</b>	<b>56,949</b>
<b>Accumulated Depreciation:</b>					
At 1 January 2016	6,424	66	14,241	-	20,731
Charge for the year	733	5	1,688	-	2,426
Disposals	-	-	(497)	-	(497)
<b>At 31 December 2016</b>	<b>7,157</b>	<b>71</b>	<b>15,432</b>	<b>-</b>	<b>22,660</b>
<b>NBV at 31 December 2016</b>	<b>29,581</b>	<b>32</b>	<b>3,428</b>	<b>1,248</b>	<b>34,289</b>
NBV at 1 January 2016	30,305	15	4,069	-	34,389

The NBV of land and buildings comprises long leasehold assets.

### 9. Fixed asset investments

Group	Third party investments £'000s
<b>Cost:</b>	
At 1 January 2016	42,655
Additions	12,498
Disposals	(11,324)
Fair value adjustment	1,933
<b>At 31 December 2016</b>	<b>45,762</b>

## Notes to the financial statements

### 9. Fixed asset investments (continued)

<b>Company</b>	<b>Third party investments £'000s</b>	<b>Subsidiaries £'000s</b>	<b>Total £'000s</b>
<b>Cost:</b>			
At 1 January 2016	42,655	11,796	54,451
Additions	12,498	-	12,498
Disposals	(11,324)	-	(11,324)
Fair value adjustment	1,933	-	1,933
<b>At 31 December 2016</b>	<b>45,762</b>	<b>11,796</b>	<b>57,558</b>

The subsidiaries below are all incorporated in the UK and were wholly owned by the Lawn Tennis Association Limited at 31 December 2016

<b>Subsidiary</b>	<b>Nature of activities</b>
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 (non-consolidated)

\* 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 2016.

<b>Subsidiary</b>	<b>Nature of activities</b>
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)

## Notes to the financial statements

### 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-subsidiary managed on a unified basis by the management of the LTA Group.

<b>Income statement</b>	<b>Year ended 31 Dec 2016 £'000s</b>	<b>Year ended 31 Dec 2015 £'000s</b>
Operating result	-	-
Result on ordinary activities before tax	-	-
Result/(loss) for the financial year	-	(9)
	<hr/>	<hr/>
<b>Statement of financial position</b>	<b>2016 £'000s</b>	<b>2015 £'000s</b>
Debtors due less than one year	-	285
Cash at bank and in hand	1,289	997
Creditors due less than one year	(66)	(59)
Net assets	1,223	1,223
	<hr/>	<hr/>

## Notes to the financial statements

### 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 Board of The LTA Trust comprised two LTA Directors and four Independent Trustees and therefore, as the LTA Group does not exercise control over the operating decisions of The LTA Trust, it has not been consolidated into the results of the LTA Group. In the prior year, The LTA Trust changed its year end date to align itself to other tennis organisations. The key financial information in respect of The LTA Trust is as follows:

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
<b>Total incoming resources</b>	<b>629</b>	<b>720</b>
Total resources expended	249	(937)
<b>Net incoming/(outgoing) resources before other recognised gains or losses</b>	<b>878</b>	<b>(217)</b>
Gains on investment assets	456	677
<b>Net movement in funds</b>	<b>1,334</b>	<b>460</b>
<b>Gross assets</b>		
Investments	28,855	27,874
Cash at bank and in hand	1,050	1,048
	<b>29,905</b>	<b>28,922</b>
<b>Gross liabilities</b>		
Liabilities due within one year	(434)	(785)
	<b>(434)</b>	<b>(785)</b>
<b>Net assets</b>	<b>29,471</b>	<b>28,137</b>
<b>Unrestricted funds</b>	<b>29,471</b>	<b>28,137</b>

## Notes to the financial statements

### 12. Financial instruments by category

	Group	Group	Company	Company
	31 Dec	31 Dec	31 Dec	31 Dec
	2016	2015	2016	2015
	£'000s	£'000s	£'000s	£'000s
<b>Financial instruments by category</b>				
The Group has the following financial instruments:				
<b>Financial assets at fair value through profit and loss:</b>				
Investments (note 9)	<u>45,762</u>	<u>42,655</u>	<u>45,762</u>	<u>42,655</u>
<b>Financial assets that are debt instruments measured at amortised cost:</b>				
Trade and other receivables (note 13)	1,007	1,365	-	-
Other receivables (note 13)	60,328	58,071	101,304	98,422
Concessionary loans (note 13)	9,438	7,894	-	-
Cash at bank and in hand	<u>7,167</u>	<u>14,294</u>	<u>218</u>	<u>3,624</u>
	<u>77,940</u>	<u>81,624</u>	<u>101,522</u>	<u>102,046</u>
<b>Financial liabilities measured at amortised cost:</b>				
Trade and other payables (note 15)	464	163	-	-
Corporation tax (note 15)	1,089	-	-	-
Other payables (note 15)	<u>14,975</u>	<u>14,798</u>	<u>1,145</u>	<u>1,176</u>
	<u>16,528</u>	<u>14,961</u>	<u>1,145</u>	<u>1,176</u>

## Notes to the financial statements

### 13. Trade and other receivables

	Group 31 Dec 2016 £'000s	Group 31 Dec 2015 £'000s	Company 31 Dec 2016 £'000s	Company 31 Dec 2015 £'000s
<b>Amounts falling due within one year:</b>				
Trade receivables	1,007	1,365	-	-
Amounts owed by Group undertakings	-	-	91,372	83,389
Amounts owed by the Wimbledon Championships	31,388	24,900	-	-
Amounts owed by AELTC for sale of AELTG (i)	5,000	5,000	5,000	5,000
Amounts owed by the Tennis Foundation	1,045	1,534	-	-
Concessionary loans (ii)	1,382	1,296	-	-
Tennis developments (iii)	178	178	-	-
Corporation tax	-	516	-	-
Other receivables	2,222	1,587	150	30
Prepayments and accrued income	4,692	3,169	-	3
	<b>46,914</b>	<b>39,545</b>	<b>96,522</b>	<b>88,422</b>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by AELTC for the sale of AELTG (i)	5,000	10,000	5,000	10,000
Concessionary loans (ii)	8,056	6,598	-	-
Tennis developments (iii)	3,491	3,630	-	-
Prepayments and accrued income	7,311	7,557	-	-
	<b>23,858</b>	<b>27,785</b>	<b>5,000</b>	<b>10,000</b>

- (i) 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 is being received in instalments, with £30,000,000 received on 1 August 2013, £5,000,000 received on 1 August 2014, £5,000,000 received on 1 August 2015, £5,000,000 received on 1 August 2016. £10,000,000 is to be paid in equal instalments on 1 August over the next 2 years. The amount has not been discounted, as discounting is not material.

#### (ii) Concessionary loans

Group	2016 £'000s	2015 £'000s
Amounts falling due within one year	1,382	1,296
Amounts falling due after more than one year	8,056	6,598
	<b>9,438</b>	<b>7,894</b>

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.



## Notes to the financial statements

### 13. Trade and other receivables (continued)

(iii) Included within amounts falling due after more than one year is £3,491,000 (2015: £3,630,000) 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. Deferred tax liability

	Group 31 Dec 2016 £'000s	Group 31 Dec 2015 £'000s	Company 31 Dec 2016 £'000s	Company 31 Dec 2015 £'000s
At 1 January	(117)	965	(593)	-
Charged to the profit and loss account	(171)	(1,082)	(406)	(593)
<b>At 31 December</b>	<b>(288)</b>	<b>(117)</b>	<b>(999)</b>	<b>(593)</b>

The gross deferred tax liability (2015: liability) comprises:

	Group 31 Dec 2016 £'000s	Group 31 Dec 2015 £'000s	Company 31 Dec 2016 £'000s	Company 31 Dec 2015 £'000s
Deferred capital allowances	1,312	474	-	-
Short term timing differences	(1,600)	(591)	(999)	(593)
<b>Deferred tax liability</b>	<b>(288)</b>	<b>(117)</b>	<b>(999)</b>	<b>(593)</b>

### 15. Trade and other payables - amounts falling due within one year

	Group 31 Dec 2016 £'000s	Group 31 Dec 2015 £'000s	Company 31 Dec 2016 £'000s	Company 31 Dec 2015 £'000s
Trade payables	464	163	-	-
Corporation tax	1,089	-	-	-
Other payables	1,156	1,694	-	-
Accruals and deferred income	13,819	13,104	1,145	1,176
	<b>16,528</b>	<b>14,961</b>	<b>1,145</b>	<b>1,176</b>

## Notes to the financial statements

### 16. Retained earnings – other

	Group 31 Dec 2016 £'000s	Group 31 Dec 2015 £'000s	Company 31 Dec 2016 £'000s	Company 31 Dec 2015 £'000s
At 1 January	25,000	-	-	-
Transfer from retained earnings	-	25,000	-	-
<b>At 31 December</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>

Retained earnings - other represents 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.

### 17. 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 2016, 276 (2015: 275) employees were members of the scheme.

The contributions to the LTA schemes were:

	Year ended 31 Dec 2016 £'000s	Year ended 31 Dec 2015 £'000s
LTA Group personal pension plan (the scheme)	759	746
LTA private personal pension plans	-	16
<b>Total Group contributions</b>	<b>759</b>	<b>762</b>

No contributions were outstanding at the year end (2015: £nil)

## Notes to the financial statements

### 18. 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:

	2016 £'000s	2015 £'000s
Operating leases which expire:		
within one year	177	70
within two to five years	147	314
	<u>324</u>	<u>384</u>

In addition to the commitments under non-cancellable operating leases noted above, there are loans of £2,181,000 (2015: £2,423,000) that have been approved for payment to places to play but have not yet been paid.

At 31 December 2016 the LTA has forward exchange commitments of \$Nil (2015: \$Nil) with a fair-value loss of £Nil (2015: £Nil loss) at the year-end exchange rate.

### 19. 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 £2,726,000 (2015: £3,393,000).

### 20. 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 £1,871,000 (2015: £2,322,000).

#### 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 2016 the Joint Management Committee of The Championships allocated 90% of the net surplus of The Championships to the LTA (2015: 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 37 years. The LTA's share of the surplus of The Championships is based upon the audited financial statements prepared to 31 July 2015 and 2016.

The gross surplus of the Wimbledon Championships amounted to £37,719,000 (2015: £37,139,000). 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 £34,388,000 (2015: £33,900,000). The amount due from the Wimbledon Championships at 31 December 2016 was £31,388,000 (31 December 2015: £24,900,000).

During 2014 The All England Lawn Tennis Club (Championships) Limited on behalf of The Championships, exercised warrants over shares in a commercial partner on the sale of that partner to a third party. As a result The Championships attributed 85% of the gain on the sale of the shares being £6,329,000 to the LTA reflecting an agreement made between the LTA and the AELTC at the time the warrants were granted. In addition the commercial partner paid £1,475,000 in return for a three year contract extension commencing 2014 and

## **Notes to the financial statements**

### **20. Related party transactions (continued)**

85% was distributed to the LTA with £417,000 recognised in 2014, £417,000 included within revenue for the prior year and £419,000 recognised in 2016.

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 2016 the LTA recharged the Wimbledon Championships £1,284,000 (2015: £1,184,000) for these services.

In 2016 the LTA received £1,000,000 (2015: £1,000,000) subvention payment from the Wimbledon Championships to help fund grass-court tournaments in the periods before and after the Wimbledon Championships. The LTA also purchased £5,056,000 (2015: £4,835,000) of tickets at face value from the Wimbledon Championships for onward sale and distribution.

#### **Tennis Foundation (TF)**

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, 84 employees (2015: 95) 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 2016 the LTA donated £7,348,000 (2015: £7,076,000) to the TF. During the year the TF was charged £2,516,000 (2015: £2,670,000) for employment costs from the LTA. In addition, the TF was recharged on an arm's length basis £1,400,000 (2015: £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 £1,045,000 (2015: £1,534,000).

During the year, the Wimbledon Championships made a charitable donation of £3,000,000 (2015: £3,000,000) to the TF.

#### **The LTA Trust**

During the year, the LTA did not make a donation to The LTA Trust (2015: £nil).