
LTA OPERATIONS LIMITED

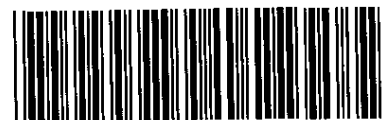
Unaudited

Annual Report and Financial Statements

For the Year Ended 31 December 2021

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LTA OPERATIONS LIMITED

Company Information

Directors

Lord M Davies
R Baillache
S Bennison
S Bhandari (appointed 1 August 2021)
L Cundy
C Haworth
C Hollingsworth (resigned 31 July 2021)
A Jhingan (appointed 1 August 2021)
S Lloyd
S Procter
D Rawlinson
R Staniland
S Steele
Sir D Tanner

Registered number

07475460

Registered office

The National Tennis Centre
100 Priory Lane
Roehampton
London
SW15 5JQ
England, United Kingdom

LTA OPERATIONS LIMITED

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LTA OPERATIONS LIMITED

Strategic Report For the Year Ended 31 December 2021

The directors present their Strategic Report on the Company for the year ended 31 December 2021.

LTA Operations Limited is a wholly owned subsidiary of Lawn Tennis Association Limited and is the trading Company of the Lawn Tennis Association Limited Group (the "LTA Group"). Its mission to grow tennis by making it relevant, accessible, welcoming and enjoyable.

The financial statements have been 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 Company has also adopted the Amendments to FRS 102 (issued in July 2015).

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, LTA Operations Limited has applied the reporting exemptions applicable to public benefit entities under FRS 102.

Review of the business

The Strategic Report of the LTA Group is available in the published group financial statements. This is considered to cover LTA Operations Limited. A summary is shown below.

Revenue increased during the year to £60.7m (2020: £47.0m). The importance of our partnerships with All England Lawn Tennis Club (Championships) Limited ("AELTC"), Sport England and our commercial partners are recognised within our income streams and we continue to work closely with all parties to maximise their investment within British Tennis.

Revenue from the Wimbledon Championships has increased to £45.8m (2020: £41.6m). The increase in the distributable surplus in 2021 was partly due to the receipt of the LTA's share (£6m) of the final insurance payout as well as the return to a successful staging of The Championships in 2021 itself. A rise in fan attendance resulted in increased profitability of The Championships compared to 2020 where the All England Lawn Tennis & Croquet Club ("AELTC" or "the Club") was able to claim against its pandemic insurance policy, and this covered a substantial proportion of the loss of income both to it and to the LTA. Funding received from AELTC in relation to officials increased due to the return of The Championships in 2021, compared to umpires and officials receiving 50% of their usual fee in 2020.

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

The LTA's commercial activities produced £4.1m (2020: £1.2m) of revenue. The key contracts that contributed to this included the first year of a new four year deal with cinch as the title sponsor of the Queen's Club Championships, as well as agreements with Oppo, BNP Paribas, Tag Heuer and Camelot. The LTA is currently in active negotiations in relation to further opportunities for both 2022 and beyond.

The revenue earned from the major events of £5.3m (2020: £0.7m) significantly increased due to the return of the majority of the summer grass court tennis calendar in 2021, albeit at reduced capacities. Under UK government and Public Health England guidance, capacities across the summer event calendar at the cinch Championships (at The Queen's Club), the Viking International (at Eastbourne's Devonshire Park), the Viking Classic (at Edgbaston Priory Club) and the Viking Open (at Nottingham Tennis Centre) were restricted to c.25% of normal levels, constraining revenue compared to pre-pandemic levels.

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Strategic Report (continued) For the Year Ended 31 December 2021

Sport England revenue grants of £2.2m (2020: £2.1m) reflected the fifth full year of the current agreement that began in April 2017, being a one year extension of the previous funding agreement as a result of the pandemic. Other revenue of £3.2m (2020: £1.4m) arose from a range of activities including the LTA's membership scheme, coaching courses, other grants, National Tennis Centre income and programme funding.

At 31 December 2021, LTA Operations Limited's Statement of financial position showed a net liability of £20.3m (2020: net liability of £17.8m).

LTA Operations Limited invests these funds in line with the LTA's vision "Tennis Opened Up" and the mission to grow tennis by making it relevant, accessible, welcoming and enjoyable. The expenditure is presented in line with the LTA's defined operational functions:

- Participation - opening tennis up across our strategic focus areas of clubs, communities, children and young people
- Capital grants - result oriented facility investment
- Performance - establishment of a world class high performance programme
- Commercial, major events and marketing - jump starting the peak summer season and targeting programmes and marketing to our priority player groups
- Business support and depreciation - operating an efficient and effective Governing Body

Operating expenditure across these areas in the year was £63.2m (2020: £50.6m).

The loss for the financial year was £2.6m (2020: £3.4m).

Principal risks and uncertainties

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

Financial key performance indicators

Each year the LTA sets business objectives to measure its performance in key areas.

As was the case for many sports, the COVID-19 pandemic continued to present a challenge to participation last year with courts and leisure facilities required to be closed for long periods of lockdown at the beginning of the year. While that resulted in a dip in annual participation figures during 2021 to 3,305,475 (the number of adults playing at least once per year), monthly play remains well ahead of pre-COVID norms providing an increasingly strong base of regular players. As the impact of lockdowns are removed from the 12-month rolling data the LTA anticipates seeing an uplift in annual participation too.

To support future growth in participation, the LTA continued to develop and implement the infrastructure, support and programmes that will facilitate that. It introduced a new approach to venue registration in 2021 to make it relevant and accessible for more venues, and as a result achieved 10,648 LTA Registered Venues (target 6,000). Following the introduction of the new ITF World Tennis Number (WTN) last year, the LTA achieved 164,254 players having an active WTN (target 100,000), providing a strong platform to build from. With the introduction of a new network of Coach Development Centres as part of the Coach Development Plan, the LTA saw 15,707 take up its qualifications and CPD offer (target 12,240). The LTA also achieved the target for the number of new padel courts, adding a further 150 through the course of the year as the sport continues to grow.

As a result of schools and after-school clubs being closed and activity being restricted for large periods of the year, there was inevitably a decline in the number of children playing tennis weekly, with this standing at 453,800 (target 575,000). However, with 5,023 teachers trained to deliver LTA Youth Schools in 2021 (target 4,250) and thousands more already signed up to be trained this year, the outlook for a return to increased participation among children remains positive.

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Strategic Report (continued) For the Year Ended 31 December 2021

With community venues restarting activities, participation in the LTA SERVES programme which takes tennis to new people and new places surpassed its target to record 8,643 children and young people taking part at least once per month (target 7,000). Participation in the LTA Open Court disability tennis programme however continues to take time to recover from the impact of the pandemic, with 4,434 people playing at least once per month (target 13,000). Disabled people are one of the groups who have been most impacted by the pandemic, but the LTA is gradually seeing an increase in confidence among participants to resume playing and is aiming to return to the record levels of disability tennis participation it saw prior to COVID-19.

In addition to delivering work to encourage more people to play tennis, the LTA achieved a 14% increase in the number of fans on its database to build on the 11% increase achieved the previous year. The LTA successfully leveraged the return of its summer major events and the outstanding international success of British players throughout the year to drive fan membership numbers up to 867,647 (target 830,000), remaining on track to achieve its 2023 target of one million.

One of the primary channels for fan engagement and the LTA strategy to raise the visibility of tennis in order to drive greater participation is through social media. Continued improvements in content and approach saw a growth in followers to 476,535 (target 450,000) with a total of 7.7 million interactions across social channels (target 3.6 million). Alongside this, the LTA also achieved a cumulative broadcast reach (3 mins) of 18.8million (target 15 million).

In relation to Performance, a total of thirteen Grand Slam titles were won by British players (target five) with five tennis titles and eight wheelchair tennis titles, while the LTA remains ahead of target for the number of LTA Pro Scholarship Programme players who are on track for the top 100. Great Britain ended the year with four players in the top 100 in the world in singles and three players in the top 30 in doubles, along with three players ranked in the top six in the world in wheelchair tennis singles and four players in doubles.

The Strategic report was approved and authorised for issue by the board on 11 May 2022 and is signed on its behalf by:



S Lloyd
Director

LTA OPERATIONS LIMITED

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activities

LTA Operations Limited is a wholly owned subsidiary of Lawn Tennis Association Limited and is the trading Company of the Lawn Tennis Association Limited Group (the "LTA Group").

Results and dividends

The loss for the year, after taxation, amounted to £2.6m (2020 - loss £3.4m).

The directors recommend that no dividend is paid this year (2020: £nil).

Directors' indemnities

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 Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors

The directors who served during the year and up to the date of signing these financial statements were:

Lord M Davies
R Baillache
S Bennison
S Bhandari (appointed 1 August 2021)
L Cundy
C Haworth
C Hollingsworth (resigned 31 July 2021)
A Jhingan (appointed 1 August 2021)
S Lloyd
S Procter
D Rawlinson
R Staniland
S Steele
Sir D Tanner

Future developments

As the LTA moves into the fourth year of its current five-year strategic cycle, there are a number of key developments to come this year that will see it move further towards achieving its vision of Tennis Opened Up and build on the progress it has made over the past three years.

One of the most significant will be the return of its summer major events to 'normal' operations for the first time since 2019 following the capacity limitations and restrictions that were in place last year and their enforced cancellation in 2020 due to the pandemic. This will allow the LTA to more fully use these as a platform to achieve its wider goals, and capitalise on the increased national interest in tennis following the success achieved by British players last year, most notably Emma Raducanu. The events this year will also see the LTA partner with a new title sponsor in Rothesay for its series of tournaments in Nottingham, Birmingham and Eastbourne, as part of a continued expansion of its commercial programme.

Complementing its summer major events, 2022 is also the first year of its new LTA Performance Competitions Calendar, which aims to provide significantly enhanced playing opportunities for British players at each age and

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Directors' Report (continued) For the Year Ended 31 December 2021

stage of the performance player pathway. The new calendar will see the LTA stage double the number of International ITF World Tennis Tour events, and more than double the number of international events for juniors, compared to 2019. This means across all age groups there will be 94 international events staged in Great Britain in 2022 (excluding the traditional grass court season events) compared to 41 in 2019.

The Government's £22m investment into park tennis courts, together with the LTA's own funding of £8.4m via the LTA Tennis Foundation, will be transformational for the sport, and this year will see the process begin of making this a reality. The project, which will be spread over two years, will see public park tennis courts in poor or unplayable condition brought back to life for the benefit of their local community.

Following the delays caused by the pandemic, it also anticipates this year seeing work start on the first new indoor community tennis centres (CITCs) as part of its long-term ambitions to increase the number of indoor facilities across Britain. However, the environment remains challenging, not least because of the financial challenges many local authorities are facing following the pandemic, which has led to a reduction in the number of potential partners for new facilities as well as threats to existing CITCs. As part of its facilities investment strategy, 2022 will see it continue to support the creation of new, modern padel facilities. There is an exciting future for padel, and as the LTA looks to grow it sustainably within the LTA it is focussing on the development of infrastructure across courts, coaching and education and building a workforce that can support and complement the overall growth of the sport.

While the parks investment and development of new indoor centres and padel courts will all deliver long-term impact, more immediately the LTA will be continuing its work to grow participation. It has set growth targets for 2022 for the flagship LTA Youth programme as well as targeted programmes including LTA SERVES and the LTA Open Court disability tennis activity, while this year will also see the return of the LTA Big Tennis Weekends that will see thousands of venues across the country open their doors to provide free tennis open days for their local communities.

This year will see further progress in the LTA's digital transformation programme, including the launch of its new website, and the introduction of self-submission of results as part of its World Tennis Number project to make the benefits of this accessible to many more recreational players.

Nothing is more important to the LTA than the safety and wellbeing of all those involved in the sport. This year will see the implementation of the final part of its industry leading safeguarding standards for venues as it makes it a mandatory requirement for Level 2 coaches at LTA Registered Venues to be accredited. This will see tennis continue to lead the way for safeguarding in sport, and further build on the award winning progress the LTA has made in this area.

Last year saw the publication of the LTA's inclusion strategy for tennis in Britain, and so 2022 will see a number of the priority actions from this strategy implemented, as well as the formation of more developed plans around key aspects of inclusion, including provision and support for women and girls.

Section 172 Statement

The Board believes that, individually and together, it has acted in the way it considers, in good faith, would be most likely to promote the success of the LTA for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a–f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2021. The Board has demonstrated throughout this report how it engages with stakeholders and has regard to the interests of the LTA's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment, and the LTA's good reputation for business conduct. The Board engages in formal and informal consultation with a range of stakeholders, both inside and outside the sport, to understand the impact of decisions on those groups. The Board regularly consults with the Council of Lawn Tennis Association Limited ("the Council"), both within formal Council meetings and more informally, in setting its strategy and to understand the needs of its members as well as the communities in which they operate. A board effectiveness review was completed which includes an appraisal of the Board's responsibilities under Section 172 and identification of enhancements that can be made to the

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Directors' Report (continued) For the Year Ended 31 December 2021

Board's decision making process to ensure it continues to promote the success of the LTA and engage with stakeholders in the best possible way.

Please see the Review of the Business, Principal Risks & Uncertainties, Key Performance Indicators & Future Developments and Directors' Report where further information can be found on Board engagement with stakeholders during the year.

Going concern

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

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Strategic Report, the 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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 also 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. 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

This report was approved by the board on 11 May 2022 and signed on its behalf by:



S Steele
Director

LTA OPERATIONS LIMITED

**Statement of Income and Retained Earnings
For the year ended 31 December 2021**

	Note	2021 £000	2020 £000
Revenue	4	60,650	47,000
Administrative expenses		(63,161)	(50,621)
Operating loss	5	(2,511)	(3,621)
Interest receivable and similar income	6	6	14
Interest payable and expenses	7	(12)	-
Loss before taxation		(2,517)	(3,607)
Tax on loss	8	(60)	201
Loss after taxation		(2,577)	(3,406)
Statement of retained earnings			
Accumulated losses at the beginning of the year		(27,758)	(24,352)
Loss for the financial year		(2,577)	(3,406)
Accumulated losses at the end of the year		(30,335)	(27,758)

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

The Company has no items of other comprehensive income or had any transactions with equity-holders between 1 January 2020 and 31 December 2021 so a Statement of retained earnings has therefore been presented in place of a Statement of comprehensive income and Statement of changes in equity.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and the historical equivalents for either 2021 or 2020.

The notes on pages 9 to 28 form part of these financial statements.

LTA OPERATIONS LIMITED
Registered number: 07475460


Statement of Financial Position
As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	9	8,762	6,382
Tangible assets	10	4,402	4,582
Investments	11	332	332
		<u>13,496</u>	<u>11,296</u>
Current assets			
Stocks	12	173	348
Debtors: amounts falling due after more than one year	13	13,542	15,637
Debtors: amounts falling due within one year	13	45,267	45,693
Deferred tax	14	4,468	3,861
Cash at bank and in hand	15	23,558	11,804
		<u>87,008</u>	<u>77,343</u>
Creditors: amounts falling due within one year	16	(106,474)	(102,326)
Net current liabilities		<u>(19,466)</u>	<u>(24,983)</u>
Creditors: amounts falling due after more than one year	17	(14,312)	-
Provisions for liabilities			
Other provisions	18	(53)	(4,071)
Net liabilities		<u><u>(20,335)</u></u>	<u><u>(17,758)</u></u>
Capital and reserves			
Called up share capital	20	10,000	10,000
Accumulated losses		(30,335)	(27,758)
	21	<u><u>(20,335)</u></u>	<u><u>(17,758)</u></u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006. The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2022.



S Steele
Director

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Lawn Tennis Association Limited as at 31 December 2021 and these financial statements may be obtained from Companies House and www.lta.org.uk.

2.3 Consolidation

LTA Operations Limited has one wholly owned subsidiary, Local Tennis Leagues Limited, consolidated financial statements have not been prepared in accordance with the exemption under Companies Act 2006 s400.

2.4 Going concern

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

2.5 Revenue

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

Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration. This is recorded at the value of the consideration

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Revenue (continued)

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

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

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

2.6 Foreign currency translation

(i) Functional and presentation currency

The Company's functional and presentation currency is the sterling pound. Figures are rounded to thousands.

(ii) Transactions and balances

Foreign currency transactions arising during the 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.

2.7 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.

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.8 Business combinations

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

2.9 Intangible fixed assets and amortisation

Intangible fixed assets are stated in the statement of financial position at cost less provision for amortisation.

Amortisation is calculated to write off the cost of intangible assets over their expected lives by equal instalments. The expected life of each intangible asset is determined on an individual basis, dependent on the duration of its economic benefit. The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

Commercial rights are amortised over the contractual period to which they relate.

Computer software	4-5 years
Assets under construction	0 years

Assets under construction are amortised once their useful lives commence and in accordance with their asset class.

The computer softwares are amortised over 4-5 years with their useful economic lives and residual values re-assessed annually.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

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

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Property, plant and equipment and depreciation

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

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

The following asset lives are used:

Furniture, computers and equipment	- 3 to 20 years
Motor vehicles	- 4 years
Assets under construction	- not depreciated (see note below)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Assets under construction are depreciated once their useful lives commence and in accordance with their asset class.

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

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

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Property, plant and equipment and depreciation (continued)

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.

2.11 Financial instruments

Hedging

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

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

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

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

The Company 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.

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.11 Financial instruments (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss immediately.

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

The Company does not hold or issue derivative financial instruments.

2.12 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.

2.13 Current and deferred taxation

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

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.13 Current and deferred taxation (continued)

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.

2.14 Concessionary loans

Concessionary loans made are initially measured at the amount paid and recognised in the statement of financial position as the separate line item. 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.

2.15 Stocks

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

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

2.16 Borrowing costs

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

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.17 Provisions for liabilities

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

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

In particular:

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

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

3. 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.

The annual depreciation/amortisation charge for tangible/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, economic utilisation and the physical condition of the assets.

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

4. Revenue

An analysis of LTA Operations Limited's revenue is shown below:

	2021 £000	2020 £000
Revenue from the Wimbledon Championships	45,760	41,640
Commercial	4,140	1,153
Major Events	5,336	676
Sport England Revenue Grant	2,185	2,135
Other Revenue	3,229	1,396
Total revenue	60,650	47,000

5. Operating loss

Operating loss is stated after charging:

	2021 £000	2020 £000
Amortisation of intangible fixed assets (note 9)	1,867	1,072
Depreciation of tangible fixed assets (note 10)	954	989
Auditors' remuneration		
- Audit fee of Lawn Tennis Association Limited Group and its subsidiary companies	102	97
- Tax compliance services for the Lawn Tennis Association Limited Group borne by the Company	57	53
- Other non-audit services of the Lawn Tennis Association Limited Group borne by the Company	28	30
Donations payable:		
Grant income	(2,185)	(2,135)
Operating lease charge	37	53

LTA Operations Limited bears the audit and tax fees for the LTA Group and its subsidiaries.

The directors received no remuneration in respect of their services to the Company during the year (2020: £nil). Directors' emoluments in relation to the LTA Group are disclosed in the Group financial statements which are publicly available.

The Company had no employees (2020: none). The Group's employees are employed by LTA Services Limited and the related costs recharged to the Company.

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

6. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest receivable	6	14
	<u>6</u>	<u>14</u>

7. Interest payable and similar expenses

	2021 £000	2020 £000
Other loan interest payable	12	-
	<u>12</u>	<u>-</u>

8. Tax on loss

	2021 £000	2020 £000
Corporation Tax		
UK corporation tax on loss for the year	667	167
Adjustments in respect of previous years	-	(925)
	<u>667</u>	<u>(758)</u>
Deferred Tax		
Origination and reversal of timing differences	661	528
Adjustment in respect of previous years	(196)	491
Rate differences - deferred tax	(1,072)	(462)
	<u>(607)</u>	<u>557</u>
Deferred tax	(607)	557
	<u>60</u>	<u>(201)</u>
Total current tax	60	(201)

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

8. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Loss before taxation	(2,517)	(3,607)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(484)	(701)
Effects of:		
Expenses imputed or non-deductible for tax purposes	1,809	1,331
Adjustment in respect of previous years	(196)	(434)
Deferred tax movements	-	61
Tax rate changes	(1,073)	(462)
Double taxation relief	4	-
Transfer pricing adjustments	-	4
Total tax charge/credit for the year	60	(201)

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Intangible assets

	Assets under construction £000	Computer software £000	Total £000
Cost			
At 1 January 2021	1,159	6,621	7,780
Additions	1,483	2,772	4,255
Additions - internal	-	1,159	1,159
Disposals	(1,159)	(363)	(1,522)
At 31 December 2021	<u>1,483</u>	<u>10,189</u>	<u>11,672</u>
Amortisation			
At 1 January 2021	-	1,399	1,399
Charge for the year	-	1,867	1,867
On disposals	-	(356)	(356)
At 31 December 2021	<u>-</u>	<u>2,910</u>	<u>2,910</u>
Net book value			
At 31 December 2021	<u>1,483</u>	<u>7,279</u>	<u>8,762</u>
At 31 December 2020	<u>1,159</u>	<u>5,223</u>	<u>6,382</u>

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

10. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Total £000
Cost			
At 1 January 2021	18,454	62	18,516
Additions	788	17	805
Disposals	(2,653)	-	(2,653)
At 31 December 2021	<u>16,589</u>	<u>79</u>	<u>16,668</u>
Depreciation			
At 1 January 2021	13,872	62	13,934
Charge for the year on owned assets	954	-	954
Disposals	(2,622)	-	(2,622)
At 31 December 2021	<u>12,204</u>	<u>62</u>	<u>12,266</u>
Net book value			
At 31 December 2021	<u>4,385</u>	<u>17</u>	<u>4,402</u>
At 31 December 2020	<u>4,582</u>	<u>-</u>	<u>4,582</u>

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Fixed asset investments

On 10 March 2020, LTA Operations Limited acquired a 100% interest in Local Tennis Leagues Limited, a private company limited by shares and incorporated in England and Wales which is engaged in facilitating tennis leagues in parks across the UK.

Consideration of £332,000 was paid to acquire the shares of Local Tennis Leagues Limited, comprising £303,000 cash paid in 2020 and £29,000 cash paid in March 2021.

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	332
At 31 December 2021	<u>332</u>

12. Stocks

	2021 £000	2020 £000
Finished goods and goods for resale	173	348
	<u>173</u>	<u>348</u>

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

13. Debtors

	2021 £000	2020 £000
Due after more than one year		
Loans repayable by Places to Play (iii)	5,949	7,424
Prepayments and accrued income	6,708	7,004
Hardship loans to coaches and venues	885	1,209
	<u>13,542</u>	<u>15,637</u>
	2021 £000	2020 £000
Due within one year		
Trade debtors	3,335	487
Amounts owed by AELTC (i)	35,831	39,770
Amounts owed by the Tennis Foundation (LEGACY) & LTA Tennis Foundation (ii)	143	205
Loans repayable by Places to Play (iii)	1,429	1,505
Other debtors	614	1,178
Prepayments and accrued income	3,416	2,261
Hardship loans to coaches and venues (iv)	499	287
	<u>45,267</u>	<u>45,693</u>

(i) Amounts owed by AELTC represents the amount owing from All England Lawn Tennis Club (Championships) Limited in respect of The 2021 Championships surplus, Wimbledon. The annual surplus owed is interest free and measured at cost.

(ii) Amounts owed by The Tennis Foundation (LEGACY) and LTA Tennis Foundation represents costs covered by LTA Operations Limited and are measured at cost, interest free and repayable on demand.

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

(iv) Hardship loans issued to coaches and venues to support them through the COVID-19 pandemic. The loans are measured at cost, interest free and repayable over 3 years.

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

14. Deferred tax

	2021 £000	2020 £000
At 1 January	3,861	4,418
Charged to Income Statement	607	(557)
At 31 December	<u><u>4,468</u></u>	<u><u>3,861</u></u>

The deferred tax asset, of which £4,468,146 (2020: £3,861,414) has been recognised in these Financial Statements, is made up as follows:

	2021 £000	2020 £000
Deferred capital allowances	5,437	4,567
Short term timing differences	(969)	(48)
Other adjustments	-	(658)
	<u><u>4,468</u></u>	<u><u>3,861</u></u>

15. Cash at bank and in hand

	2021 £000	2020 £000
Cash at bank and in hand	23,558	11,804
	<u><u>23,558</u></u>	<u><u>11,804</u></u>

During 2021 the LTA rearranged an overdraft facility of £15m, secured against the parent company's, Lawn Tennis Association Limited, £23m fixed asset investments, to mitigate any unexpected fluctuations in its forecast working capital.

The terms of the overdraft include an annual arrangement fee at 0.25% of the facility and interest charged at 2.5% above base rate on the amount drawn down. At the time of signing the accounts, the overdraft facility had not been drawn upon. •

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

16. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade payables	725	673
Amounts owed to parent undertaking (i)	88,393	-
Amounts owed to group undertakings (ii)	4,393	92,106
Other creditors	1,281	381
Accruals and deferred income	11,682	8,083
Other taxation and social security	-	1,083
	<u>106,474</u>	<u>102,326</u>

(i) Amounts owed to parent undertakings represents intercompany loans that are measured at cost, interest free and repayable on demand.

(ii) Amounts owed to group undertakings represents intercompany loans that are measured at cost, interest free and repayable on demand.

17. Trade creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Amounts falling due between one and five years		
DCMS Loan	6,268	-
	<u>6,268</u>	<u>-</u>
Amounts falling due after more than five years		
DCMS Loan	8,044	-
	<u>8,044</u>	<u>-</u>
Total creditors falling due after more than one year	<u>14,312</u>	<u>-</u>

Secured loans

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

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

LTA OPERATIONS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

18. Provisions for liabilities

	Legal expenses	Payroll costs	Ticket Refund	Total
	£000	£000	£000	£000
At 1 January 2021	104	400	3,567	4,071
Amounts utilised	(104)	-	(397)	(501)
Charged to income statement	53	-	-	53
Transferred to deferred income	-	-	(3,170)	(3,170)
Unused amounts reversed to the profit and loss account	-	(400)	-	(400)
At 31 December 2021	53	-	-	53

Provisions include legal expenses (£53k). Major Event ticket refunds of £3,170k have been reclassified to deferred income as tickets will now be utilised.

19. Financial Commitments

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

	2021 £000	2020 £000
Not later than 1 year	22	22
	<u>22</u>	<u>22</u>

In addition to the commitments under non-cancellable operating leases noted above, there is £599k (2020: £821k) of loans which have been approved for payment to Places to Play but have not yet been paid out.

20. Called up share capital

	2021 £000	2020 £000
Authorised, allotted, called up and fully paid		
10,000,000 (2020 - 10,000,000) Ordinary shares of £1 each	10,000	10,000

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

21. Reconciliation of movements in equity

	2021 £000	2020 £000
At 1 January	(17,758)	(14,352)
Loss for the financial year	(2,577)	(3,406)
At 31 December	(20,335)	(17,758)

22. Related party transactions

David Lloyd Leisure Limited

David Lloyd Leisure Limited is deemed a related party by virtue of common directorship. Scott Lloyd is a Non-Executive Director of Deuce Acquisitions Limited which is the holding company of David Lloyd Leisure Limited. In 2021, the LTA received income of £nil (2020: £180) and incurred costs of £3,008 (2020: £20,829) from David Lloyd clubs across the UK. The balance owed by David Lloyd clubs at 31 December 2021 was £288 (2020: £288).

The Wimbledon Championships

The LTA Group 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 2021, the Joint Management Committee of The Championships allocated 90% (2020: 90%) of the net surplus of The Championships to LTA Operations Limited. The LTA's share of the surplus of The Championships is based upon the audited financial statements prepared to 31 July 2020 and 2021.

The gross surplus of The Championships amounted to £39,533,180 (2020: £36,089,914). Net of withholding tax, officiating income, subvention income and income from the exercise of warrants over shares the surplus receivable by LTA Operations Limited amounted to £38,829,000 (2020: £35,891,914). The amount due from the Wimbledon Championships at 31 December 2021 was £35,829,000 (31 December 2020: £39,769,914).

The costs of officiating services are charged to The Championships. This represents the LTA's work in partnership with the Association of British Tennis Officials to manage, supply and pay the umpires and other officials who work at The Championships each year. In 2021 LTA Operations Limited recharged The Championships £1,026,297 (2020: £450,166) for these services.

In 2021, LTA Operations Limited received £5,200,000 (2020: £5,100,000) subvention payment from The Championships to help fund grass-court tournaments in the periods before and after The Championships and a further £180,172 (2020: £nil) to support the grass court venues of the Trophy Series and the prize money at the Men's ATP Challenger/Women's ITF Pro-circuit. LTA Operations Limited also purchased £4,184,911 (2020: £nil) of tickets at face value from The Championships for onward sale and distribution.

23. Ultimate parent undertaking

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

LTA OPERATIONS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

24. Non-adjusting events after the end of the reporting period

The LTA and Nottingham City Council completed an agreement for the LTA to take over a long term lease of 150 years and management of Nottingham Tennis Centre from 1 May 2022.

In December 2019 the City Council announced they needed to find significant financial savings in their budget and were looking for a new leaseholder and operator for the site which has eight indoor courts, 19 outdoor hard courts and 13 grass courts including its show court. The LTA was keen to protect the site as it is one of Britain's most important tournament and tennis venues. Its size and location make it of particular strategic importance in the delivery of LTA competitions.

The centre will remain open to the public and community activity will continue to be a core part of its operations.