

**LTA Ground Limited**

**Report and financial statements  
for the year ended 30 September 1997**



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# **LTA Ground Limited**

## **Report and financial statements for the year ended 30 September 1997**

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## Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 1997.

### Principal activities

The company's activity is property investment.

### Review of business and future developments

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Changes in fixed assets

The movements in fixed assets during the year are set out in note 7 to the financial statements.

In the opinion of the directors there was no significant difference between the market value and the book value of property held at the 30 September 1997.

### Results for the year

The loss for the year was £50,427 (1996: £3,355 loss) and the directors recommend no dividend is paid this year (1996: £nil).

### Directors

The directors of the company at 30 September 1997 are listed below:

D D Carmichael	
I D Peacock	(resigned: 31/12/96)
J C Robbins	(resigned: 31/12/96)
Sir Geoffrey Cass	(appointed: 31/12/96)
J A Crowther	(appointed: 31/12/96)

### Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

## **Directors' report (continued)**

### **Directors' responsibilities (continued)**

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 1997. The directors also confirm that applicable accounting standards have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

### **By order of the board**



Ms P A Preston

Secretary

**Report of the auditors  
to the members of LTA Ground Limited**

We have audited the financial statements on pages 4 to 10.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

**Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London**

*6 NOVEMBER 1997*

# **Profit and loss account for the year ended 30 September 1997**

	Notes	1997 £	1996 £
Turnover	2	174,699	169,004
Net operating expenses	3	<u>(172,679)</u>	<u>(175,926)</u>
Operating profit/(loss)		2,020	(6,922)
Interest receivable		<u>6,007</u>	<u>3,567</u>
Profit/(loss) on ordinary activities before taxation	4	8,027	(3,355)
Taxation	6	58,454	-
Loss for the financial year	12	<u><u>(50,427)</u></u>	<u><u>(3,355)</u></u>

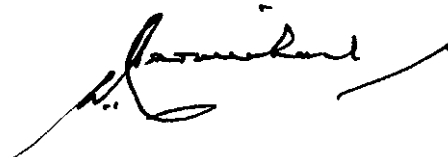
All the operations in the year were continuing. The company has no recognised gains or losses other than the losses above and no separate statement of total recognised gains and losses has therefore been presented.

There is no material difference between the reported result and the result on the historical cost basis.

# Balance sheet at 30 September 1997

	Notes	1997 £	1996 £
<b>Fixed assets</b>	7	3,830,422	3,950,803
<b>Current assets</b>			
Debtors		4,183	-
Amount owed by group undertakings		-	191,973
Prepayment	8	180,000	190,000
Bank and cash		30,304	63,529
		<u>214,487</u>	<u>445,502</u>
<b>Creditors: amounts falling due within one year</b>	9	(4,305,741)	(4,622,280)
<b>Net current liabilities</b>		<u>(4,091,254)</u>	<u>(4,176,778)</u>
<b>Total assets less current liabilities</b>		(260,832)	(225,975)
<b>Creditors: amounts falling due after more than one year</b>			
Deferred taxation	10	(51,570)	(36,000)
<b>Net liabilities</b>		<u>(312,402)</u>	<u>(261,975)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	(312,404)	(261,977)
<b>Equity shareholders' funds</b>	13	<u>(312,402)</u>	<u>(261,975)</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 6th November 1997 and were signed on its behalf by:



D D CARMICHAEL  
DIRECTOR

## **Notes to the financial statements for the period ended 30 September 1997**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention. The company will continue as a going concern with the support of its ultimate parent undertaking, the Lawn Tennis Association.

#### **Turnover**

Turnover, which excludes value added tax, represents income from facilities used by The Lawn Tennis Association.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned.

Depreciation of leasehold property and buildings is charge to write off the cost of each asset over the life of the lease.

The rates used are:

	%
Site improvements - West Hants LTC	10
Buildings - International Training Centre	5

#### **Cash flow statement**

The company satisfies the criteria for small-sized companies and is exempt from the requirement to prepare a cash flow statement under FRS 1.



## Notes to the financial statements for the period ended 30 September 1997 (continued)

### 1 Principal accounting policies (continued)

#### Deferred taxation

Provision is made for deferred taxation, using the liability method, in all material timing differences to the extent that it is possible that a liability or asset will crystallise.

### 2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

### 3 Net operating expenses

	1997	1996
	£	£
Administration expenses	<u>172,679</u>	<u>175,926</u>

### 4 Loss before taxation on ordinary activities is stated after charging

	1997	1996
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	162,332	162,332
Audit fees (non audit services - £nil, 1996: £100)	<u>-</u>	<u>3,200</u>

Auditors' fees have been borne by the ultimate parent and are disclosed as part of its operating expenses.

### 5 Directors' emoluments and employee information

The directors did not receive any remuneration from the company during the year and the company has no employees.

## Notes to the financial statements for the period ended 30 September 1997 (continued)

### 6 Taxation

	1997	1996
	£	£
United Kingdom corporation tax at 31/33% (1996: 24/25%)		
Current year	34,531	35,786
Prior year	8,353	(35,786)
Deferred tax	15,570	-
	<u>58,454</u>	<u>-</u>

### 7 Fixed assets

	Site improvements	Freehold land and buildings	Leasehold land and buildings	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 1996	58,045	3,817,601	77,910	4,481,556
Additions	38,950	3,000	-	41,950
Disposal	-	-	-	-
At 30 September 1997	<u>624,995</u>	<u>3,820,601</u>	<u>77,910</u>	<u>4,523,506</u>
<b>Depreciation</b>				
At 1 October 1996	117,208	413,545	-	530,753
Charge for the year	58,603	103,728	-	162,331
Transfers	-	-	-	-
At 30 September 1997	<u>175,811</u>	<u>517,273</u>	<u>-</u>	<u>693,084</u>
<b>Net book value</b>				
At 30 September 1997	<u>449,184</u>	<u>3,303,328</u>	<u>77,910</u>	<u>3,830,422</u>
<b>Net book value</b>				
At 30 September 1996	<u>468,837</u>	<u>3,404,056</u>	<u>77,910</u>	<u>3,950,803</u>

The freehold land and buildings have been leased to the West Hants LTC for a lease period of 99 years from 1 August 1994, at a nominal rental for the first 10 years and thereafter at a rental to be agreed.

## Notes to the financial statements for the period ended 30 September 1997 (continued)

### 7 Fixed assets (continued)

The company owns the freehold of The Lawn Tennis Association's International Training Centre for which the agreed rental for the year to 30 September 1997 was £136,500 (1996: £131,250).

### 8 Prepayment

The prepayment represents the balance of court usage prepaid at Queenswood School, the initial cost of £200,000 being amortised over 20 years from 1996.

### 9 Creditors: amounts falling due within one year

	1997	1996
	£	£
Amounts owed to fellow subsidiaries	586,045	586,045
Amounts owed to group undertakings - interest free	3,637,726	3,975,480
Corporation tax payable	81,970	35,786
Other creditors	-	24,969
	<u>4,305,741</u>	<u>4,622,280</u>

### 10 Deferred taxation

	1997	1996
	£	£
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	<u>51,570</u>	<u>36,000</u>

## Notes to the financial statements for the period ended 30 September 1997 (continued)

### 11 Share capital

	1997 £	1996 £
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 Profit and loss account

	1997 £	1996 £
At 1 October	(261,977)	(258,622)
Loss for the financial year	(50,427)	(3,355)
At 30 September	<u>(312,404)</u>	<u>(261,977)</u>

### 13 Reconciliation of shareholders' funds

	1997 £	1996 £
Opening shareholders' funds	(261,975)	(258,620)
Loss for the financial year	(50,427)	(3,355)
Closing shareholders' funds	<u>(312,402)</u>	<u>(261,975)</u>

### 14 Parent undertakings

The company's immediate parent undertaking is LTA Holdings Limited, a company registered in England and Wales. The company's ultimate parent undertaking is The Lawn Tennis Association. Its principal place of business is The Queen's Club, Barons Court, West Kensington, London W14 9EG.