

Company Registration No.2578901

**LTA Ground Limited**

**Report and financial statements  
for the year ended 30 September 1998**



## **LTA Ground Limited**

### **Report and financial statements for the year ended 30 September 1998**

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## **LTA Ground Limited**

### **Directors' report**

The directors present their report and the audited financial statements for the year ended 30 September 1998.

### **Principal activities**

The company's principal 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 1998.

### **Results for the year**

The profit for the year was £124,652 (1997: loss (£50,427)) and the directors recommend that no dividend is paid this year (1997:£nil).

### **Directors**

The directors of the company at 30 September 1998 are listed below:

D D Carmichael (resigned:31/12/97)

Sir Geoffrey Cass

J A Crowther

C R Trippe (appointed:1/1/98)

### **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.

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 1998. The directors also confirm that applicable accounting standards have been used and the accounts 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.

### **Year 2000**

The Company has identified the risks and uncertainties associated with the Year 2000. Plans are in place to address the Year 2000 issue and progress on implementing the plan is on target. The costs incurred to prepare hardware and software systems for the Year 2000 are being borne by the company's ultimate parent, The Lawn Tennis Association.

### **Auditors**

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on the 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors.

A resolution to reappoint the auditors, PricewaterhouseCoopers will be proposed at the Annual General Meeting.

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

  
Ms P A Preston  
Secretary

## **LTA Ground Limited**

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

We have audited the financial statements on pages 3 to 8.

#### **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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**London**

23 June 1999.

**LTA Ground Limited**  
**Profit and loss account**  
**for the year ended 30 September 1998**

	Notes	1998 £	1997 £
Turnover	2	177,754	174,699
Net operating expenses	3	<u>(242,842)</u>	<u>(172,679)</u>
Operating (loss)/profit		(65,088)	2,020
Interest receivable		<u>5,816</u>	<u>6,007</u>
(Loss)/profit on ordinary activities before taxation	4	(59,272)	8,027
Profit on disposal of land and buildings		<u>222,654</u>	<u>-</u>
		163,382	8,027
Taxation	6	(38,730)	(58,454)
Profit/(loss) for the financial year	12	<u>124,652</u>	<u>(50,427)</u>

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

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalent.

The notes on pages 5 to 8 form an integral part of these Accounts.

**LTA Ground Limited**  
**Balance sheet**  
**at 30 September 1998**

	Notes	1998 £	1997 £
<b>Fixed assets</b>	7	4,280,167	3,830,422
<b>Current assets</b>			
Debtors	8	170,000	184,183
Bank and cash		152,779	30,304
		<u>322,779</u>	<u>214,487</u>
<b>Creditors: amounts falling due within one year</b>	9	(4,735,794)	(4,305,741)
<b>Net current liabilities</b>		<u>(4,413,015)</u>	<u>(4,091,254)</u>
<b>Total assets less current liabilities</b>		(132,848)	(260,832)
<b>Creditors: amounts falling due after more than one year</b>			
Deferred taxation	10	(54,902)	(51,570)
<b>Net liabilities</b>		<u>(187,750)</u>	<u>(312,402)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	(187,752)	(312,404)
<b>Equity shareholders' funds</b>	13	<u>(187,750)</u>	<u>(312,402)</u>

The financial statements on pages 3 to 8 were approved by the board of directors on  
23 June 1999 and were signed on its behalf by:



The notes on pages 5 to 8 form an integral part of these Accounts.

**LTA Ground Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 1998**

**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 and from rental income from investment property.

**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.

The annual rate used for this purpose is:

	%
Buildings	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.

**Deferred taxation**

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

**LTA Ground Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 1998 (continued)**

**2 Turnover**

Turnover consists entirely of revenue generated in the United Kingdom.

**3 Net operating expenses**

	1998	1997
	£	£
Administrative expenses	218,506	172,679
Property rental expenses	24,336	-
	<u>242,842</u>	<u>172,679</u>

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

	1998	1997
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	<u>150,603</u>	<u>162,332</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.

**6 Taxation**

	1998	1997
	£	£
United Kingdom corporation tax at 29% (1997:31%/33%)	35,398	42,884
Deferred tax	<u>3,332</u>	<u>15,570</u>
	<u>38,730</u>	<u>58,454</u>



**LTA Ground Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 1998 (continued)**

**7 Fixed assets**

	West Hants LTC		Int'l Training Centre		IG House		Greyhd Rd	Total
	Site improvements £	F'hld land & bldgs £	Freehold land £	Building £	Freehold land £	Building £	L'sehold Property £	
<b>Cost</b>								
At 1 October 1997	624,995	455,738	1,287,305	2,074,558	-	3,000	77,911	4,523,507
Additions	(10,000)	-	-	-	400,000	1,058,394	-	1,448,394
Disposal	(614,995)	(455,738)	-	-	-	-	-	(1,070,733)
At 30 September 1998	-	-	1,287,305	2,074,558	400,000	1,061,394	77,911	4,901,168
<b>Depreciation</b>								
At 1 October 1997	175,812	-	-	517,273	-	-	-	693,085
Charge for the year	46,875	-	-	103,728	-	-	-	150,603
Disposal	(222,687)	-	-	-	-	-	-	(222,687)
At 30 September 1998	-	-	-	621,001	-	-	-	621,001
<b>Net book value</b>								
At 30 September 1998	-	-	1,287,305	1,453,557	400,000	1,061,394	77,911	4,280,167
Net book value								
At 30 September 1997	449,183	455,738	1,287,305	1,557,285	-	3,000	77,911	3,830,422

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 1998 was £140,000 (1997:£136,500).

The company has acquired the freehold of IG House (formerly the ITF Building). The IG House freehold is an investment property and has been accounted for in accordance with SSAP 19. As such, no depreciation has been provided. IG House was acquired in May 1998 on the open market and the valuation at 30 September 1998 reflects the market value of the property.

**8 Debtors**

	1998	1997
	£	£
Other debtors	-	4,183
Prepayment	170,000	180,000
	<u>170,000</u>	<u>184,183</u>

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**

	1998	1997
	£	£
Amounts owed to fellow subsidiaries	586,045	586,045
Amounts owed to group undertakings - interest free	3,913,133	3,637,726
Corporation tax payable	104,984	81,970
Accruals and deferred income	42,500	-
Other creditors	89,132	-
	<u>4,735,794</u>	<u>4,305,741</u>

**10 Deferred taxation**

	1998	1997
	£	£
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	54,902	51,570

**LTA Ground Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 1998 (continued)**

**11 Share capital**

	1998 £	1997 £
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**

	1998 £	1997 £
At 1 October	(312,404)	(261,977)
Profit/(loss) for the financial year	<u>124,652</u>	<u>(50,427)</u>
At 30 September	<u>(187,752)</u>	<u>(312,404)</u>

**13 Reconciliation of movements in shareholders' funds**

	1998 £	1997 £
Opening shareholders' funds	(312,402)	(261,975)
Profit/(loss) for the financial year	<u>124,652</u>	<u>(50,427)</u>
Closing shareholders' funds	<u>(187,750)</u>	<u>(312,402)</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.