

Company Registration No.2578901

LTA Ground Limited

**Report and financial statements
for the year ended 30 September 2004**



LTA Ground Limited

Report and financial statements for the year ended 30 September 2004

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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 2004.

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 5 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 2004.

Results for the year

The loss for the year was £59,175 (2003:£31,509 loss) and the directors recommend that no dividend is paid this year (2003:£nil).

Directors

The directors of the company who served during the year are listed below:

J A Crowther

C R Trippe

D P Howorth

There are no directors that have beneficial interests in the company.

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 2004. 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 that 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 1985. 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.

Auditors

In accordance with the provisions of section 379A of the United Kingdom Companies Act 1985 (as amended) the Company has elected pursuant to section 386 of the Act to dispense with the obligation to appoint auditors annually.

By order of the board



Derek Howorth
Director

Independent auditors' report to the members of LTA Ground Limited

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

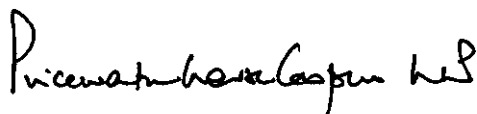
Basis of opinion

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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

4 November 2004

LTA Ground Limited
Profit and loss account
for the year ended 30 September 2004

	Notes	2004 £	2003 £
Turnover		224,427	267,060
Net operating expenses		<u>(256,943)</u>	<u>(256,058)</u>
Operating profit		(32,516)	11,002
Interest receivable		<u>3,948</u>	<u>2,407</u>
(Loss)/profit on ordinary activities before taxation	2	(28,568)	13,409
Tax on profit on ordinary activities	4	(30,607)	(44,918)
Retained loss for the financial year	10	<u>(59,175)</u>	<u>(31,509)</u>

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

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

LTA Ground Limited
Balance Sheet
at 30 September 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	5	<u>3,322,623</u>	<u>3,482,214</u>
Current assets			
Prepayments (including £100,000 (2003:£110,000) due after one year	6	110,118	120,656
Bank and cash		<u>76,938</u>	<u>184,151</u>
		<u>187,056</u>	<u>304,807</u>
Creditors: amounts falling due within one year	7	(3,383,657)	(3,601,589)
Net current liabilities		<u>(3,196,601)</u>	<u>(3,296,782)</u>
Total assets less current liabilities		126,022	185,432
Provisions for liabilities and charges	8	(27,278)	(27,513)
Net assets		<u>98,744</u>	<u>157,919</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	98,742	157,917
Equity shareholders' funds	11	<u>98,744</u>	<u>157,919</u>

The financial statements on pages 3 to 8 were approved by the board of directors on 4 November 2004 and were signed on its behalf by:



Derek Howorth
Director

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

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2004

1 Principal accounting policies

Basis of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Turnover

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

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 rate used is:

	%
Buildings	5

Long leasehold properties are depreciated over the term of the lease.

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.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Provision for deferred tax is made in respect of all timing differences that have originated but not reversed, by the balance sheet date. The provision for deferred tax is not discounted. Deferred tax assets are only recognised to extent that it is regarded that they will be recovered.

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2004 (continued)

**2 (Loss)/profit on ordinary activities before taxation
is stated after charging:**

	2004	2003
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	159,591	159,591
Other operating expenses	87,351	86,466

Auditors' remuneration has been borne by the ultimate parent undertaking and is disclosed as part of its operating expenses.

3 Directors' remuneration, Auditors remuneration and employee information

The directors received no remuneration from the company during the year and the company has no employees.

Auditors' remuneration has been borne by the ultimate parent and is disclosed as part of its operating expenses.

4 Tax on profit on ordinary activities

	2004	2003
	£	£
United Kingdom corporation tax at 30% (2003:30%)	30,842	50,452
Deferred tax	(235)	(5,534)
	<u>30,607</u>	<u>44,918</u>
Tax charge	(30,607)	(44,918)
Profit before tax @30%	(8,750)	4,023
Marginal Relief		
Difference	<u>(39,357)</u>	<u>(40,895)</u>

Explained by:

Permanent and timing differences:

Non qualifying depreciation	144,829	143,189
@30%	43,449	42,957
Less marginal relief	(4,092)	(2,062)
	<u>39,357</u>	<u>40,895</u>

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2004 (continued)

5 Fixed assets

	Freehold Land £	Buildings £	Long leasehold Property £	Total £
Cost				
At 1 October 2004	1,687,305	3,191,815	77,911	4,957,031
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2004	<u>1,687,305</u>	<u>3,191,815</u>	<u>77,911</u>	<u>4,957,031</u>
Depreciation				
At 1 October 2003	-	1,474,817	-	1,474,817
Charge for the year	-	159,591	-	159,591
Disposals	-	-	-	-
At 30 September 2004	-	<u>1,634,408</u>	-	<u>1,634,408</u>
Net book value				
At 30 September 2004	<u>1,687,305</u>	<u>1,557,407</u>	<u>77,911</u>	<u>3,322,623</u>
Net book value				
At 30 September 2003	<u>1,687,305</u>	<u>1,716,998</u>	<u>77,911</u>	<u>3,482,214</u>

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 2004 was £161,250 (2003:£157,000).

6 Prepayments

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

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to ultimate parent undertaking	3,403,135	3,503,135
Corporation tax	(18,841)	4,085
Other creditors	(637)	28,687
Accruals and deferred income	-	65,682
	<u>3,383,657</u>	<u>3,601,589</u>

8 Provisions for liabilities and charges

	2004 £	2003 £
Provision for deferred tax:		
Accelerated capital allowances	<u>27,278</u>	<u>27,513</u>
As at 1 October	27,513	33,047
Deferred tax credit in profit and loss account (note 5)	(235)	(5,534)
As at 30 September	<u>27,278</u>	<u>27,513</u>

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2004 (continued)

9 Called up share capital

	2004 £	2003 £
Authorised		
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>

10 Reserves

	Profit and Loss account £
At 1 October 2003	157,917
Retained loss for the financial year	<u>(59,175)</u>
At 30 September 2004	<u>98,742</u>

11 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Opening shareholders' funds	157,919	189,428
(Loss)/profit for the financial year	<u>(59,175)</u>	<u>(31,509)</u>
Closing shareholders' funds	<u>98,744</u>	<u>157,919</u>

12 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.