

LTA Ground Limited

**Report and financial statements
for the year ended 30 September 2003**



LTA Ground Limited

Report and financial statements for the year ended 30 September 2003

Contents

Directors' report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5-8

LTA Ground Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2003.

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 6 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 2003.

Results for the year

The loss for the year was £31,509 (2002:£77,201 profit) and the directors recommend that no dividend is paid this year (2002:£nil).

Directors

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

J A Crowther

J M Gracie (resigned 11 December 2002)

C R Trippe

D P Howorth (appointed 11 December 2002)

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 2003. 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 17 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. The company has elected under section 386 of the Companies Act 1985 not to appoint auditors annually. PricewaterhouseCoopers LLP are deemed to be re-appointed for the next financial year.

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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

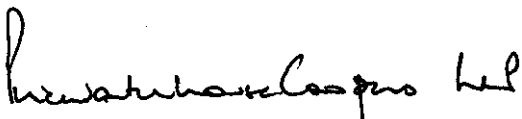
Basis of opinion

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 2003 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

6 November 2003

LTA Ground Limited
Profit and loss account
for the year ended 30 September 2003

		2003	2002
	Notes	£	£
Turnover	2	267,060	339,754
Net operating expenses		<u>(256,058)</u>	<u>(169,591)</u>
Operating profit		11,002	170,163
Interest receivable		<u>2,407</u>	<u>959</u>
Profit on ordinary activities before taxation	3	13,409	171,122
Taxation	5	(44,918)	(93,921)
(Loss)/profit for the financial year	11	<u>(31,509)</u>	<u>77,201</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 2003

	Notes	2003 £	2002 £
Fixed assets	6	<u>3,482,214</u>	<u>3,641,805</u>
Current assets			
Debtors		-	49,937
Prepayments (including £110,000 (2002:£120,000) due after one year	7	120,656	130,000
Bank and cash		<u>184,151</u>	<u>147,352</u>
		<u>304,807</u>	<u>327,289</u>
Creditors: amounts falling due within one year	8	(3,601,589)	(3,746,619)
Net current liabilities		<u>(3,296,782)</u>	<u>(3,419,330)</u>
Total assets less current liabilities		185,432	222,475
Provisions for liabilities and charges	9	(27,513)	(33,047)
Net assets		<u>157,919</u>	<u>189,428</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	157,917	189,426
Equity shareholders' funds	12	<u>157,919</u>	<u>189,428</u>

The financial statements on pages 3 to 8 were approved by the board of directors on 6 November 2003 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 2003

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, and on a going concern basis having received continuing financial support from The Lawn Tennis Association. A summary of the more important accounting policies is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

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.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

Changes in accounting policy

In December 2000, the Accounting Standards Board issued FRS 19 'Deferred Tax'. The company has adopted FRS 19 'Deferred Tax' in the financial statements. There is no effect due to the change in accounting policy to adopt FRS 19 as the company already used the full provision method.

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2003 (continued)

2 Turnover

Turnover consists entirely of revenue generated in the United Kingdom.

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

	2003	2002
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	159,591	159,591
Other operating expenses	<u>86,466</u>	<u>-</u>

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

4 Directors' remuneration and employee information

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

5 Taxation

	2003	2002
	£	£
United Kingdom corporation tax at 30% (2002:30%)	50,452	94,001
Deferred tax	<u>(5,534)</u>	<u>(80)</u>
	<u>44,918</u>	<u>93,921</u>

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2003 (continued)

6 Fixed assets

	Freehold Land £	Buildings £	Long leasehold Property	Total £
Cost				
At 1 October 2002	1,687,305	3,191,815	77,911	4,957,031
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2003	<u>1,687,305</u>	<u>3,191,815</u>	<u>77,911</u>	<u>4,957,031</u>
Depreciation				
At 1 October 2002	-	1,315,226	-	1,315,226
Charge for the year	-	159,591	-	159,591
Disposals	-	-	-	-
At 30 September 2003	<u>-</u>	<u>1,474,817</u>	<u>-</u>	<u>1,474,817</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>
Net book value				
At 30 September 2002	<u>1,687,305</u>	<u>1,876,589</u>	<u>77,911</u>	<u>3,641,805</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 2003 was £154,500 (2002:£154,500).

7 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.

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to ultimate parent undertaking	3,503,135	3,553,135
Corporation tax	4,085	63,547
Other creditors	28,687	87,437
Accruals and deferred income	65,682	42,500
	<u>3,601,589</u>	<u>3,746,619</u>

9 Provisions for liabilities and charges

	2003 £	2002 £
Provision for deferred tax:		
Accelerated capital allowances	<u>27,513</u>	<u>33,047</u>
As at 1 October	33,047	33,127
Deferred tax credit in profit and loss account (note 5)	<u>(5,534)</u>	<u>(80)</u>
As at 30 September	<u>27,513</u>	<u>33,047</u>

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2003 (continued)

10 Called up share capital

	2003 £	2002 £
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>

11 Reserves

	Profit and Loss account £
At 1 October 2002	189,426
Retained loss for the financial year	<u>(31,509)</u>
At 30 September 2003	<u>157,917</u>

12 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Opening shareholders' funds	189,428	112,227
(Loss)/profit for the financial year	<u>(31,509)</u>	<u>77,201</u>
Closing shareholders' funds	<u>157,919</u>	<u>189,428</u>

13 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.