

LTA Ground Limited

**Report and financial statements
for the year ended 30 September 2005**



LTA Ground Limited

Report and financial statements for the year ended 30 September 2005

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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 2005.

Principal activities

The company's principal activity is to own and manage property.

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 2005.

Results for the year

The loss for the year was £17,275 (2004:£59,175 loss) and the directors recommend that no dividend is paid this year (2004:£nil).

Directors

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

J A Crowther (resigned 3 April 2006)

C R Trippe (resigned 28 February 2006)

D P Howorth

S G Smith (appointed 28 February 2006)

R J Draper (appointed 3 April 2006)

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 2005. 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



25 July 2006

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.

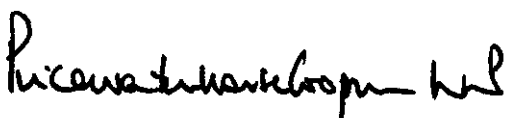
Basis of opinion

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 2005 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

25 July 2006

LTA Ground Limited
Profit and loss account
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Turnover		269,109	224,427
Net operating expenses		<u>(236,971)</u>	<u>(256,943)</u>
Operating profit/(loss)		32,138	(32,516)
Interest receivable	3	<u>5,178</u>	<u>3,948</u>
Profit/(loss) on ordinary activities before taxation	2	37,316	(28,568)
Tax on profit/(loss) on ordinary activities	5	(54,591)	(30,607)
Retained loss for the financial year	11	<u>(17,275)</u>	<u>(59,175)</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 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	6	<u>3,163,032</u>	<u>3,322,623</u>
Current assets			
Debtors:			
Falling due within one year	7	325,306	10,118
Falling due after more than one year	7	<u>90,000</u>	<u>100,000</u>
		415,306	110,118
Bank and cash		<u>72,646</u>	<u>76,938</u>
		<u>487,952</u>	<u>187,056</u>
Creditors: amounts falling due within one year	8	(3,543,078)	(3,383,657)
Net current liabilities		<u>(3,055,126)</u>	<u>(3,196,601)</u>
Total assets less current liabilities		107,906	126,022
Provisions for liabilities and charges	9	(26,437)	(27,278)
Net assets		<u>81,469</u>	<u>98,744</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	81,467	98,742
Equity shareholders' funds	12	<u>81,469</u>	<u>98,744</u>

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

The financial statements on pages 3 to 8 were approved by the board of directors on
25 July 2006 and were signed on its behalf by:



Derek Howorth
Director

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2005

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 and related party disclosures

The company is a wholly-owned subsidiary of the Lawn Tennis Association and is included in the consolidated financial statements of the Lawn Tennis Association, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Lawn Tennis Association group.

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 2005 (continued)

**2 Profit/(loss) on ordinary activities before taxation
is stated after charging:**

	2005	2004
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	159,591	159,591
Other operating expenses	67,380	87,352

3 Interest receivable

	2005	2004
	£	£
Bank deposit interest received	5,178	3,948

4 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 company and is disclosed as part of its operating expenses.

5 Tax on profit on ordinary activities

	2005	2004
	£	£
United Kingdom corporation tax at 30% (2004:30%)	54,604	30,842
Prior year adjustment	828	-
	55,432	30,842
Deferred tax	(841)	(235)
	54,591	30,607

Current taxation

Current tax charge	55,432	30,842
Profit before tax of £37,316 @30%	11,195	(8,750)
Difference	44,237	39,592

Explained by:

Expenses not deductible for tax purposes	43,891	43,449
Marginal relief	(1,323)	(3,857)
Other timing difference	841	-
Prior year adjustment	828	-
	44,237	39,592

LTA Ground Limited
Notes to the financial statements
for the year ended 30 September 2005 (continued)

6 Fixed assets

	Land £	Freehold 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 2005	<u>1,687,305</u>	<u>3,191,815</u>	<u>77,911</u>	<u>4,957,031</u>
Depreciation				
At 1 October 2004	-	1,634,408	-	1,634,408
Charge for the year	-	159,591	-	159,591
Disposals	-	-	-	-
At 30 September 2005	<u>-</u>	<u>1,793,999</u>	<u>-</u>	<u>1,793,999</u>
Net book value				
At 30 September 2005	<u>1,687,305</u>	<u>1,397,816</u>	<u>77,911</u>	<u>3,163,032</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>

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 2005 was £165,765 (2004: £161,250).

7 Debtors

	2005 £	2004 £
Trade debtors	253	-
Amounts owed to group undertakings:		
- Lawn Tennis Association	224,149	-
- Tennis GB	90,904	-
Other debtors	-	118
Prepayments and accrued income	100,000	110,000
	<u>415,306</u>	<u>110,118</u>

Prepayments of £100,000 represent the balance of court usage prepaid at Queenswood School, the initial cost of £200,000 being amortised over 20 years from 1996. At 30 September 2005, £90,000 falls due after more than one year.

8 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to ultimate parent undertaking	3,403,135	3,403,135
Corporation tax	54,604	(18,841)
Other creditors	45,599	(637)
Accruals and deferred income	39,740	-
	<u>3,543,078</u>	<u>3,383,657</u>

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2005 (continued)

9 Provisions for liabilities and charges

	2005	2004
	£	£
Provision for deferred tax:		
Accelerated capital allowances	26,437	27,278
As at 1 October	27,278	27,513
Deferred tax credit in profit and loss account (note 5)	(841)	(235)
As at 30 September	26,437	27,278

10 Called up share capital

	2005	2004
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

11 Reserves

	Profit and Loss account
	£
At 1 October 2004	98,742
Retained loss for the financial year	(17,275)
At 30 September 2005	81,467

12 Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Opening shareholders' funds	98,744	157,919
Loss for the financial year	(17,275)	(59,175)
Closing shareholders' funds	81,469	98,744

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 Palliser Road, Barons Court, West Kensington, London, W14 9EG.