

**LTA Ground Limited**

**Report and financial statements**

For the year ended 30 September 2008

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**LTA Ground Limited**  
**Report and financial statements**  
**For the year ended 30 September 2008**

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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 2008.

### **Principal activity**

The company's principal activity was formerly to own and manage properties used by entities within the Lawn Tennis Association group. Following the sale of Queen's Club in prior year, the only significant item remaining within LTA Ground is prepaid court time for Queenswood school, which is being utilised on an annual basis.

### **Review of business**

Both the level of business and the year end position were satisfactory. There are no significant financial risks facing the company.

### **Results and dividends**

The profit for the year was £6,042 (2007: £212,583) and the directors recommend that no dividend is paid this year (2007: £nil).

### **Directors**

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

R J Draper  
D P Howorth  
S G Smith

### **Directors' responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are required by United Kingdom 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 year.

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 2008. The directors also confirm that applicable United Kingdom Accounting Standards have been used and that the financial statements 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.

# **LTA Ground Limited**

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

### **Auditors**

In accordance with the provisions of section 379A of the 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.

So far as each director is aware, there is no information relevant to the audit of which the company's auditors are unaware. Each director has taken all steps that he ought to have taken in order to make himself aware of any information relevant to the audit and to establish that the company's auditors are aware of that information.

### **Small companies provisions**

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



P A Preston  
Secretary

26 November 2008

# **Independent Auditors' report to the members of LTA Ground Limited**

We have audited the financial statements of LTA Ground Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our audit report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

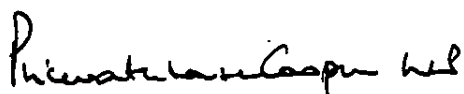
# **Independent Auditors' report to the members of LTA Ground Limited**

**(continued)**

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



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

**26 November 2008**

# **LTA Ground Limited**

## **Profit and loss account**

For the year ended 30 September 2008

	Notes	2008 £	2007 £
Turnover		-	192,714
Operating expenses		(10,095)	(126,942)
Operating (loss) / profit	2	(10,095)	65,772
Exceptional item: Profit on disposal of tangible fixed assets	3	-	57,398
Interest receivable		11,320	2,770
Profit on ordinary activities before taxation		1,225	125,940
Tax on profit on ordinary activities	4	4,817	86,643
Profit for the financial year	10	6,042	212,583

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.

The notes on pages 7 to 11 form part of these financial statements

# **LTA Ground Limited**

## **Balance sheet**

As at 30 September 2008.

	Notes	2008 £	2007 £
<b>Current assets</b>			
Debtors	5	84,717	327,195
Cash at bank and in hand		275,095	304,933
		<u>359,812</u>	<u>632,128</u>
<b>Creditors: amounts falling due within one year</b>	6	(40,047)	(318,405)
<b>Net current assets</b>		<u>319,765</u>	<u>313,723</u>
<b>Total assets less current liabilities</b>		<u>319,765</u>	<u>313,723</u>
 <b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	319,763	313,721
<b>Equity shareholders' funds</b>	10	<u>319,765</u>	<u>313,723</u>

The financial statements on pages 5 to 11 were approved and authorised for issue by the board of directors on 26 November 2008 and were signed on its behalf by:



D P Howorth  
Director

The notes on pages 7 to 11 form part of these financial statements



# **LTA Ground Limited**

## **Notes to the financial statements**

**For the year ended 30 September 2008**

### **1. Accounting policies**

#### **Basis of preparation**

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 United Kingdom Accounting Standards. The principal accounting policies are set out below.

#### **Taxation including deferred tax**

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.

#### **Operating lease rentals received**

Rentals received under operating leases are charged to income on a straight line basis over the lease term.

#### **Cash flow statement and related party disclosure exemptions**

The company is a wholly-owned subsidiary of the Lawn Tennis Association and is included in the group 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 in accordance with Financial Reporting Standard 1.

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

# **LTA Ground Limited**

## **Notes to the financial statements (continued)**

For the year ended 30 September 2008

### **2. Operating profit**

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation	-	93,094

The directors received no remuneration from the company during the year.

The company had no employees.

Auditors' remuneration was borne by the company's ultimate parent undertaking, the Lawn Tennis Association.

### **3. Exceptional item**

	2008 £	2007 £
The exceptional item comprises:		
Profit on disposal of long leasehold property	-	196,585
Loss on disposal of freehold property	-	(139,187)
	0	57,398

### **4. Taxation**

	2008 £	2007 £
<b>Current tax:</b>		
UK corporation tax on profits for the year	-	-
Adjustment in respect of previous years	-	(61,434)
<b>Total current tax</b>	-	(61,434)
<b>Deferred tax:</b>		
Origination and reversal of timing differences (note 7)	(166)	(25,209)
Changes to tax rates and laws	354	-
Adjustments relating to prior years	(5,005)	-
<b>Tax on profit on ordinary activities</b>	<b>(4,817)</b>	<b>(86,643)</b>

# **LTA Ground Limited**

## **Notes to the financial statements (continued)**

**For the year ended 30 September 2008**

### **4. Taxation (continued)**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of current tax (credit)/charge</b>		
Profit on ordinary activities before taxation	1,225	125,940
Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 29% (2007: 30%)	355	37,782
Effects of:		
Expense/(income) imputed or non-deductible for tax purposes	(182)	(80,852)
Accelerated capital allowances and other timing differences	(1,368)	30,516
Tax allowance relating to exceptional items	-	(17,219)
Group relief	1,195	30,023
Adjustment in respect of previous years	-	(61,434)
<b>Total current tax (credit)/charge</b>	<b>-</b>	<b>(61,184)</b>

### **5. Debtors**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	-	185,760
Corporation tax	9,900	61,435
Prepayments and accrued income	70,000	80,000
Deferred tax asset (note 7)	4,817	-
	<b>84,717</b>	<b>327,195</b>

Prepayments of £70,000 (2007: £80,000) represent the balance of court usage prepaid at Queenswood School. The initial cost of £200,000 is being amortised evenly over 20 years from 1996. At 30 September 2008 £60,000 (2007: £70,000) falls due after more than one year.

### **6. Creditors: amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amounts owed to ultimate parent undertakings	12,547	222,134
Amounts owed to group undertakings	27,500	50,000
Other creditors	-	46,271
	<b>40,047</b>	<b>318,405</b>

# **LTA Ground Limited**

## **Notes to the financial statements (continued)**

**For the year ended 30 September 2008**

### **7. Deferred tax asset**

	2008 £	2007 £
At 1 October	-	25,209
Deferred tax credit in profit and loss account (note 4)	4,817	(25,209)
At 30 September	<u>4,817</u>	<u>-</u>
<b>Deferred tax assets are recognised in the accounts as follows:</b>		
Depreciation in advance of capital allowances	<u>4,817</u>	<u>-</u>

### **8. Called up share capital**

	2008 £	2007 £
<b>Equity share capital:</b>		
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### **9. Reserves**

	Profit and loss account £
At 1 October 2007	313,721
Profit for the financial year	6,042
At 30 September 2008	<u>319,763</u>

### **10. Reconciliation of movements in shareholders' funds**

	2008 £	2007 £
At 1 October	313,723	101,140
Profit for the financial year	6,042	212,583
At 30 September	<u>319,765</u>	<u>313,723</u>

# **LTA Ground Limited**

## **Notes to the financial statements (continued)**

**For the year ended 30 September 2008**

### **11. 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. Copies of its group financial statements, which include the company, are available from The National Tennis Centre, 100 Priory Lane, Roehampton, London, SW15 5JQ.