

LTA Ground Limited

Report and financial statements

For the year ended 30 September 2009

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LTA Ground Limited
Report and financial statements
For the year ended 30 September 2009

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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 2009.

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 2007, 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 £3,346 (2008: £6,042) and the directors recommend that no dividend is paid this year (2008: £nil). The retained profit, has, therefore, been transferred to reserves.

Directors

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

A D Crichton (appointed 18 February 2009)
R J Draper
D P Howorth
S G Smith (resigned 18 February 2009)

Directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and to apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 S.487(2) of the Companies Act 2006, the auditors PricewaterhouseCoopers LLP will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of the Report and Financial Statements are sent to members unless a resolution is passed under S.488 of the Companies Act 2006 to the effect that they should not be re-appointed.

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 15 of the Companies Act 2006 relating to small companies.

By order of the Board



P A Preston
Secretary

9 December 2009

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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

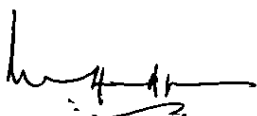
Independent Auditors' report to the members of LTA Ground Limited

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.



**Martin Hodgson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London**

9 December 2009

LTA Ground Limited

Profit and loss account

For the year ended 30 September 2009

| | Notes | 2009 £ | 2008 £ |
|--|----------|--------------|-----------------|
| Operating expenses | | 2,543 | (10,095) |
| Operating profit / (loss) | 2 | 2,543 | (10,095) |
| Interest receivable | | 1,781 | 11,320 |
| Profit on ordinary activities before taxation | | 4,324 | 1,225 |
| Tax on profit on ordinary activities | 3 | (978) | 4,817 |
| Profit for the financial year | 9 | 3,346 | 6,042 |

All the operations in the current and prior 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.

The notes on pages 7 to 10 form part of these financial statements

LTA Ground Limited

Balance sheet

As at 30 September 2009

| | Notes | 2009 £ | 2008 £ |
|---|-------|----------------|----------------|
| Current assets | | | |
| Debtors | 4 | 404,117 | 84,717 |
| Cash at bank and in hand | | 928 | 275,095 |
| | | <u>405,045</u> | <u>359,812</u> |
| Creditors: amounts falling due within one year | 5 | (81,934) | (40,047) |
| Net current assets | | <u>323,111</u> | <u>319,765</u> |
| Total assets less current liabilities | | <u>323,111</u> | <u>319,765</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 2 | 2 |
| Profit and loss account | 8 | 323,109 | 319,763 |
| Equity shareholders' funds | 9 | <u>323,111</u> | <u>319,765</u> |

The financial statements on pages 5 to 10 were approved and authorised for issue by the board of directors on 9 December 2009 and were signed on its behalf by:



D P Howorth
Director

The notes on pages 7 to 10 form part of these financial statements

LTA Ground Limited

Notes to the financial statements

For the year ended 30 September 2009

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 2006 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 the 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 2009

2. Operating profit

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. Taxation

| | 2009 | 2008 |
|--|-------------|----------------|
| | £ | £ |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | (166) |
| Changes to tax rates and laws | 183 | 354 |
| Adjustments relating to prior years | 795 | (5,005) |
| Tax on profit on ordinary activities (note 6) | 978 | (4,817) |

| | 2009 | 2008 |
|--|-------------|-------------|
| | £ | £ |
| Reconciliation of current tax (credit)/charge | | |
| Profit on ordinary activities before taxation | 4,324 | 1,225 |
| Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 28% (2008: 29%) | 1,211 | 355 |
| Effects of: | | |
| Expense/(income) imputed or non-deductible for tax purposes | (344) | (182) |
| Accelerated capital allowances and other timing differences | - | (1,368) |
| Group relief | (564) | 1,195 |
| Rate differences - current tax | (303) | - |
| Total current tax (credit)/charge | - | - |

LTA Ground Limited

Notes to the financial statements (continued)

For the year ended 30 September 2009

4. Debtors

| | 2009 | 2008 |
|--------------------------------|----------------|---------------|
| | £ | £ |
| Corporation tax | - | 9,900 |
| Prepayments and accrued income | 60,000 | 70,000 |
| Deferred tax asset (note 6) | 3,839 | 4,817 |
| Other debtors | 340,278 | - |
| | <u>404,117</u> | <u>84,717</u> |

Prepayments of £60,000 (2008: £70,000) 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 2009 £50,000 (2008: £60,000) falls due after more than one year.

5. Creditors: amounts falling due within one year

| | 2009 | 2008 |
|--|---------------|---------------|
| | £ | £ |
| Amounts owed to ultimate parent undertakings | 81,934 | 12,547 |
| Amounts owed to group undertakings | - | 27,500 |
| | <u>81,934</u> | <u>40,047</u> |

6. Deferred tax asset

| | 2009 | 2008 |
|---|--------------|--------------|
| | £ | £ |
| At 1 October | 4,817 | - |
| Deferred tax (charge) / credit in profit and loss account | (978) | 4,817 |
| At 30 September (note 4) | <u>3,839</u> | <u>4,817</u> |

Deferred tax assets are recognised in the accounts as follows:

| | | |
|---|--------------|--------------|
| Depreciation in advance of capital allowances | <u>3,839</u> | <u>4,817</u> |
|---|--------------|--------------|

LTA Ground Limited

Notes to the financial statements (continued)

For the year ended 30 September 2009

7. Called up share capital

| | 2009 | 2008 |
|---|--------------|--------------|
| | £ | £ |
| Equity share capital: | | |
| 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> |

8. Reserves

| | Profit and loss account |
|-------------------------------|------------------------------------|
| | £ |
| At 1 October 2008 | 319,763 |
| Profit for the financial year | 3,346 |
| At 30 September 2009 | <u>323,109</u> |

9. Reconciliation of movements in shareholders' funds

| | 2009 | 2008 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| At 1 October | 319,765 | 313,723 |
| Profit for the financial year | 3,346 | 6,042 |
| At 30 September | <u>323,111</u> | <u>319,765</u> |

10. 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.