

LTA Ground Limited

**Report and financial statements
for the year ended 30 September 2001**



LTA Ground Limited

Report and financial statements for the year ended 30 September 2001

Contents

Directors' report	1
Report of the auditors	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 2001.

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 7 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 2001.

Results for the year

The profit for the year was £75,795 (2000:£112,893) and the directors recommend that no dividend is paid this year (2000:£nil).

Directors

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

J A Crowther

J M Gracie

C R Trippe

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 2001. 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

A resolution to reappoint the auditors, PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By order of the board



Ms P A Preston
Secretary

18 December 2001

LTA Ground Limited

Report of the auditors 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 are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London WC2N 6RH

20 December 2001

LTA Ground Limited
Profit and loss account
for the year ended 30 September 2001

	Notes	2001 £	2000 £
Turnover	2	335,754	332,254
Net operating expenses	3	<u>(169,629)</u>	<u>(171,223)</u>
Operating profit		166,125	161,031
Interest receivable		<u>1,871</u>	<u>2,936</u>
Profit on ordinary activities before taxation	4	167,996	163,967
Taxation	6	(92,201)	(51,074)
Profit for the financial year	12	<u><u>75,795</u></u>	<u><u>112,893</u></u>

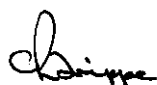
All the operations in the year are continuing. The company has no recognised gains or losses other than the profits above and no separate statement of total recognised gains and losses has therefore been presented.

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

LTA Ground Limited
Balance sheet
at 30 September 2001

	Notes	2001 £	2000 £
Fixed assets	7	<u>3,801,396</u>	<u>3,960,986</u>
Prepayment	8	<u>140,000</u>	<u>150,000</u>
Current assets			
Bank and cash		138,743	128,998
Debtors		<u>49,938</u>	<u>33,292</u>
		<u>188,681</u>	<u>162,290</u>
Creditors: amounts falling due within one year	9	(3,984,723)	(4,204,825)
Net current liabilities		<u>(3,796,042)</u>	<u>(4,042,535)</u>
Total assets less current liabilities		145,354	68,451
Creditors: amounts falling due after more than one year			
Deferred taxation	10	(33,127)	(32,019)
Net liabilities		<u>112,227</u>	<u>36,432</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	112,225	36,430
Equity shareholders' funds	13	<u>112,227</u>	<u>36,432</u>

The financial statements on pages 3 to 8 were approved by the board of directors on 8 December 2001 and were signed on its behalf by:



Charles Trippe
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 period ended 30 September 2001

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, 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 rental income from investment property.

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

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

Provision is made for deferred taxation, using the liability method, in all material timing differences to the extent that it is possible that a liability or asset will crystallise.

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2001 (continued)

2 Turnover

Turnover consists entirely of revenue generated in the United Kingdom.

3 Net operating expenses

	2001	2000
	£	£
Administrative expenses	169,629	171,223
	<u>169,629</u>	<u>171,223</u>

**4 Profit on ordinary activities before taxation
is stated after charging:**

	2001	2000
	£	£
Amortisation of prepayment	10,000	10,000
Depreciation	<u>159,591</u>	<u>159,591</u>

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

5 Directors' remuneration and employee information

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

6 Taxation

	2001	2000
	£	£
United Kingdom corporation tax at 30% (2000:30%)	91,093	69,147
Deferred tax	<u>1,108</u>	<u>(18,073)</u>
	<u>92,201</u>	<u>51,074</u>

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2001 (continued)

7 Fixed assets

	Freehold Land £	Buildings £	L'sehold Property	Total £
Cost				
At 1 October 2000	1,687,305	3,191,815	77,911	4,957,031
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2001	<u>1,687,305</u>	<u>3,191,815</u>	<u>77,911</u>	<u>4,957,031</u>
Depreciation				
At 1 October 2000	-	996,045	-	996,045
Charge for the year	-	159,590	-	159,590
Disposals	-	-	-	-
At 30 September 2001	-	<u>1,155,635</u>	-	<u>1,155,635</u>
Net book value				
At 30 September 2001	<u>1,687,305</u>	<u>2,036,180</u>	<u>77,911</u>	<u>3,801,396</u>
Net book value				
At 30 September 2000	<u>1,687,305</u>	<u>2,195,770</u>	<u>77,911</u>	<u>3,960,986</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 2001 was £147,000 (2000:£147,000).

8 Prepayment

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

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to ultimate parent undertaking	3,803,135	4,033,135
Corporation tax	52,759	31,816
Other creditors	87,437	97,374
Accruals and deferred income	42,500	42,500
	<u>3,985,831</u>	<u>4,204,825</u>

10 Deferred taxation

	2001 £	2000 £
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	<u>32,019</u>	<u>32,019</u>

LTA Ground Limited
Notes to the financial statements
for the period ended 30 September 2001 (continued)

11 Called up share capital

	2001 £	2000 £
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

12 Profit and loss account

	2001 £	2000 £
At 1 October	36,430	(76,463)
Profit for the financial year	75,795	112,893
At 30 September	112,225	36,430

13 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Opening shareholders' funds	36,432	(76,461)
Profit for the financial year	75,795	112,893
Closing shareholders' funds	112,227	36,432

14 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.