

LTA Ground Limited

Report and financial statements for the year ended 30 September 1995

2578901

Contents	Page
Directors' report	1 - 2
Report of the auditors	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9



**Directors' report
for the year ended 30 September 1995**

The directors present their report and the audited financial statements for the year ended 30 September 1995.

Principal activities

The company's activity is to own properties used by The Lawn Tennis Association.

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 continue in 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 1995.

Results for the year

The retained loss for the year was £112,148 (1994: £59,575) and the directors recommend no dividend is paid this year (1994: £Nil).

Directors

The directors of the company throughout the year under review were:

D D Carmichael

I A King

(resigned 23 November 1994)

I D Peacock

J C Robbins

(appointed 23 November 1994)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; to make judgements and estimates that are reasonable and prudent; to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and to 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the board



Ms P A Preston
Secretary

9TH NOVEMBER 1995

**Report of the auditors
to the members of LTA Ground Limited**

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

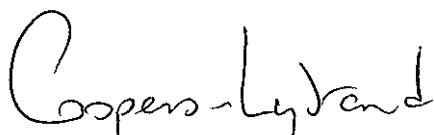
Basis of opinion

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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

9th NOVEMBER 1995

**Profit and loss account
for the year ended 30 September 1995**

	Notes	1995 £	1994 £
Turnover	2	124,977	122,239
Net operating expenses	3	(215,232)	(156,466)
Operating loss		(90,255)	(34,227)
Interest receivable		2,396	2,849
Loss on ordinary activities before taxation	4	(87,859)	(31,378)
Taxation	6	(24,289)	(28,197)
Retained loss for the financial year	11	(112,148)	(59,575)

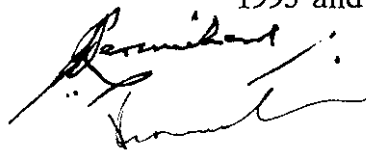
All the operations in the year were continuing. The company has no recognised gains or losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There was no material difference between reported result and the result on a pure historical cost basis.

Balance sheet at 30 September 1995

	Notes	1995 £	1994 £
Fixed assets	7	3,630,825	3,258,998
Current assets			
Amounts owed by group undertakings		46,376	36,719
Bank and cash		104,897	9,678
		<u>151,273</u>	<u>46,397</u>
Creditors: amounts falling due within one year	8	(3,968,931)	(3,409,870)
Net current liabilities		<u>(3,817,658)</u>	<u>(3,363,473)</u>
Total assets less current liabilities		<u>(186,833)</u>	<u>(104,475)</u>
Creditors: amounts falling due after more than one year			
Deferred taxation	9	(71,787)	(41,997)
Net liabilities		<u>(258,620)</u>	<u>(146,472)</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(258,622)	(146,474)
Equity shareholders' funds	12	<u>(258,620)</u>	<u>(146,472)</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 7th March 1995 and were signed on its behalf by:



)
) Directors
)

**Notes to the financial statements
for the period ended 30 September 1995****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. The company will continue as a going concern due to the support of its ultimate parent undertaking, the Lawn Tennis Association.

Turnover

Turnover, which excludes value added tax, represents the licence fee receivable from the Lawn Tennis Association for the use of the International Training Centre.

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.

Depreciation of leasehold land and buildings is charged to write off the cost of each asset over the life of the lease.

The rates used are:

	%
Site improvements	10
Leasehold land	5
Leasehold buildings	5

Cash flow statement

The company has satisfied the criteria of small-sized company 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.

2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

3 Net operating expenses

	1995 £	1994 £
Administrative expenses	<u>215,232</u>	<u>156,446</u>

4 Loss before taxation on ordinary activities is stated after charging

	1995 £	1994 £
Depreciation	214,269	155,661
Audit fees (non audit services - £100)	600	500

5 Directors' emoluments and employee information

The directors did not receive any remuneration from the company during the year and the company has no employees.

6 Taxation

	1995 £	1994 £
United Kingdom corporation tax at 25% (1994 : 25%)	(5,500)	-
Deferred tax	<u>29,789</u>	<u>28,197</u>
	<u>24,289</u>	<u>28,197</u>

7 Fixed assets

	Site improvements £	Freehold land and buildings £	Leasehold land and buildings £	Total £
Cost				
At 1 October 1994	-	455,738	3,113,221	3,568,959
Additions	586,045	-	50	586,095
At 30 September 1995	586,045	455,738	3,113,271	4,155,054
Depreciation				
At 1 October 1994	-	-	309,961	309,961
Charge for the year	58,604	-	155,664	214,268
At 30 September 1995	58,604	-	465,625	524,229
Net book value at 30 September 1995	527,441	455,738	2,647,646	3,630,825
Net book value at 30 September 1994	-	455,738	2,803,260	3,258,998

The freehold land and buildings have been leased to the West Hants LTC for a lease period of 99 years from 1 August 1994, at a nominal rental for the first 10 years and thereafter at a rental to be agreed.

The leasehold land and buildings are being used by the Lawn Tennis Association as its International Training Centre at an agreed rental of £124,977 (1994: £122,239) for the year to 30 September 1995.

8 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to fellow subsidiaries	586,045	-
Amounts owed to group undertakings - interest free	3,375,481	3,375,481
Corporation tax	-	5,500
Deferred income	-	23,008
Other creditors	7,405	5,881
	3,968,931	3,409,870

9 Deferred taxation

	Provided		Unprovided	
	1995 £	1994 £	1995 £	1994 £
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	41,998	71,933	-	-
Less: losses available	29,789	(29,936)	-	-
	71,787	41,997	-	-

10 Share capital

	1995 £	1994 £
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 Profit and loss account

	1995 £	1994 £
At 1 October	(146,474)	(86,899)
Retained loss for the financial year	<u>(112,148)</u>	<u>(59,575)</u>
At 30 September	<u>(258,622)</u>	<u>(146,474)</u>

12 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	(146,472)	(86,897)
Loss for the financial year	<u>(112,148)</u>	<u>(59,575)</u>
Closing shareholders' funds	<u>(258,620)</u>	<u>(146,472)</u>

13 Capital commitments

	1995 £	1994 £
Authorised and committed	400,000	400,000
Authorised but not committed	<u>-</u>	<u>-</u>
	<u>400,000</u>	<u>400,000</u>

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.