

LTA Services Limited

Report and financial statements

For the year ended 30 September 2006

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LTA Services Limited

Report and financial statements

For the year ended 30 September 2006

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LTA Services Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2006

Principal activities

The company's principal activity is the provision of manpower services

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 £147,235 (2005: £170,247) and the directors recommend that no dividend is paid this year (2005: £nil).

Directors

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

P Bretherton (appointed 28 February 2006)

D P Howorth

S G Smith

C R Trippe (resigned 28 February 2006)

No directors have beneficial interests in the company.

Directors' responsibilities

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

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 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 2006. The directors also confirm that applicable 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 Services 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

17 April 2007

Independent Auditors' report to the members of LTA Services Limited

We have audited the financial statements of LTA Services Limited for the year ended 30 September 2006 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 Services Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 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

17 April 2007

LTA Services Limited

Profit and loss account

For the year ended 30 September 2006

	Notes	2006 £	2005 £
Turnover		10,689,560	9,043,660
Operating expenses		(10,534,659)	(8,872,631)
Operating profit	2	<u>154,901</u>	<u>171,029</u>
Interest receivable		53,495	76,024
Profit on ordinary activities before taxation		<u>208,396</u>	<u>247,053</u>
Tax on profit on ordinary activities	4	(61,161)	(76,806)
Profit for the financial year	8	<u><u>147,235</u></u>	<u><u>170,247</u></u>

All the operations in the 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 11 form part of these financial statements

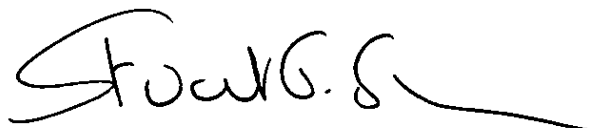
LTA Services Limited

Balance sheet

As at 30 September 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	5	3,703,932	10,395,203
Cash at bank and in hand		163,910	110,531
		<hr/>	<hr/>
		3,867,842	10,505,734
Creditors amounts falling due within one year	6	(2,677,091)	(9,462,218)
Total assets less current liabilities		<hr/>	<hr/>
		1,190,751	1,043,516
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	1,190,651	1,043,416
Equity shareholders' funds	9	<hr/>	<hr/>
		1,190,751	1,043,516

The financial statements on pages 5 to 11 were approved and authorised for issue by the board of directors on 17 April 2007 and were signed on its behalf by



S G Smith
Director

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

LTA Services Limited

Notes to the financial statements

For the year ended 30 September 2006

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 UK accounting standards. The principal accounting policies are set out below.

Changes in accounting policies

The presentational requirements of FRS 25 Financial Instruments: Disclosures and Presentation have been adopted in the year. The company has taken advantage of the exemption not to restate comparative figures. However, no significant adjustments would be required for the comparatives to be FRS 25 compliant.

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 (revised 1996).

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.

Turnover

Turnover, which excludes value added tax, consists entirely of revenue generated in the UK. It represents income from manpower services.

Pension costs

The company operates a defined contribution pension scheme covering the majority of its employees. Contributions to this scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

Operating leases

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

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2006

2 Operating profit

Operating profit is stated after charging

	2006	2005
	£	£
Operating lease rentals - vehicles	<u>137,690</u>	<u>-</u>

The directors received no remuneration from the company during the year

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

3. Employees

	2006	Restated
	No	2005
	No	No
The average monthly number of employees of the company during the year was made up as follows		
Central services	31	24
Marketing and sponsorship	30	32
National training	31	31
Coaching	6	6
Tournament and events	22	21
Development	67	64
	<u>187</u>	<u>178</u>

	2006	2005
	£	£

The aggregate amounts payable to employees of the company during the year was as follows

Salaries and fees	8,024,816	6,923,116
Social security costs	911,057	767,524
Other pension costs	469,597	351,367
	<u>9,405,470</u>	<u>8,042,007</u>

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2006

4 Taxation

	2006	2005
	£	£
Current tax:		
UK Corporation tax on profits for the year	62,356	76,185
Adjustment in respect of previous years	(1,195)	621
Tax on profit on ordinary activities	61,161	76,806
Reconciliation of current tax charge.		
Profit on ordinary activities before taxation	208,396	247,053
Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 30% (2005 30%)	62,519	74,116
Effects of		
Expenses not deductible for tax purposes	-	2,069
Marginal tax rates	(163)	-
Adjustment in respect of previous years	(1,195)	621
Total current tax charge	61,161	76,806

5 Debtors

	2006	2005
	£	£
Trade debtors	2,217,573	1,977,703
Amounts owed by ultimate parent undertaking	1,217,066	7,817,754
Amounts owed by group undertakings	170,328	511,566
Other debtors	25,544	7,380
Prepayments and accrued income	73,421	80,800
	3,703,932	10,395,203

6 Creditors amounts falling due within one year

	2006	2005
	£	£
Trade creditors	8,539	862
Amounts owed to ultimate parent undertaking	-	7,770,404
Amounts owed to group undertakings	280,000	-
Corporation tax	69,378	76,186
Other creditors	1,805,369	1,205,364
Accruals and deferred income	513,805	409,402
	2,677,091	9,462,218

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2006

7. Called up share capital

	2006	2005
	£	£
Equity share capital:		
Authorised		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

8 Reserves

	Profit and loss account £
At 1 October 2005	1,043,416
Profit for the financial year	147,235
At 30 September 2006	<hr/> 1,190,651 <hr/>

9. Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
At 1 October	1,043,516	873,269
Profit for the financial year	147,235	170,247
At 30 September	<hr/> 1,190,751 <hr/>	<hr/> 1,043,516 <hr/>

10. Pension commitments

The company operates various defined contribution pension schemes for its employees. The LTA Group Money Purchase Pension Plan is closed for new contributions but has assets which are held in a separate trustee administered fund. The trustees of the scheme are all officers of the Lawn Tennis Association. All new contributions are paid into the LTA Group Personal Pension Plan or private personal pension plans.

The pension plans are funded by contributions from the company and the employees. Annual contributions to the schemes by the company are related to pensionable salaries and length of service of employees. The total pension cost for the year amounted to £469,597 (2005 £351,367). There were no outstanding or prepaid contributions as at 30 September 2006 (2005 £nil).

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2006

11. Financial commitments

At 30 September LTA Services Limited had annual commitments under non-cancellable operating leases for assets, other than land and buildings, and other financial commitments as follows

	2006	2005
	£	£
Operating leases which expire within two to five years	<u>137,690</u>	<u>-</u>

12. 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