

LTA Services Limited

Report and financial statements

For the year ended 30 September 2007

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LTA Services Limited
Report and financial statements
For the year ended 30 September 2007

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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 2007

Principal activity

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 £188,707 (2006: £147,235) and the directors recommend that no dividend is paid this year (2006: £nil).

Directors

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

P Bretherton
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 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 2007. 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

21st November 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 2007 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

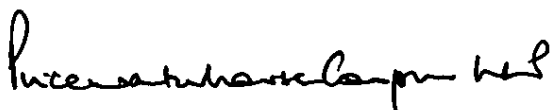
LTA Services Limited

(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 2007 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

21st November 2007

LTA Services Limited

Profit and loss account

For the year ended 30 September 2007

	Notes	2007 £	2006 £
Turnover	1	13,584,637	10,689,560
Operating expenses		(13,478,366)	(10,534,659)
Operating profit	2	<u>106,271</u>	<u>154,901</u>
Interest receivable		26,699	53,495
Profit on ordinary activities before taxation		<u>132,970</u>	<u>208,396</u>
Tax on profit on ordinary activities	4	55,737	(61,161)
Profit for the financial year	8	<u><u>188,707</u></u>	<u><u>147,235</u></u>

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 11 form part of these financial statements

LTA Services Limited

Balance sheet

As at 30 September 2007

	Notes	2007 £	2006 £
Current assets			
Debtors	5	4,820,311	3,703,932
Cash at bank and in hand		351,934	163,910
		<hr/> 5,172,245	<hr/> 3,867,842
Creditors: amounts falling due within one year	6	(3,792,787)	(2,677,091)
Total assets less current liabilities		<hr/> <hr/> 1,379,458	<hr/> <hr/> 1,190,751
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	1,379,358	1,190,651
Equity shareholders' funds	9	<hr/> <hr/> 1,379,458	<hr/> <hr/> 1,190,751

The financial statements on pages 5 to 11 were approved and authorised for issue by the board of directors on 21st November 2007 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 Services Limited

Notes to the financial statements

For the year ended 30 September 2007

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.

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 various defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes or as agreed with individual employees.

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.

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.

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2007

2. Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Operating lease rentals - vehicles	<u>154,321</u>	<u>137,690</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

The average monthly number of employees of the company during the year was made up as follows

	2007	2006
	No.	No.
Central services	50	31
Marketing and sponsorship	14	30
National training	39	31
Coaching	9	6
Tournament and events	25	22
Development	75	67
	<u>212</u>	<u>187</u>

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

	2007	2006
	£	£
Salaries and fees	10,241,344	8,024,816
Social security costs	1,103,857	911,057
Other pension costs	334,589	469,597
	<u>11,679,790</u>	<u>9,405,470</u>

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2007

4 Taxation

	2007	2006
	£	£
Current tax		
UK Corporation tax on profits for the year	1,370	62,356
Adjustment in respect of previous years	(57,107)	(1,195)
Tax on profit on ordinary activities	(55,737)	61,161
Reconciliation of current tax charge		
Profit on ordinary activities before taxation	132,970	208,396
Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 30% (2006 30%)	39,891	62,519
Effects of		
Expense/(income) imputed or non-deductible for tax purposes	(431)	-
Group relief	(38,090)	163
Adjustment in respect of previous years	(57,107)	(1,195)
Total current tax charge	(55,737)	61,487

5 Debtors

	2007	2006
	£	£
Trade debtors	1,820,123	2,217,573
Amounts owed by ultimate parent undertaking	2,513,050	1,217,066
Amounts owed by group undertakings	353,283	170,328
Corporation tax	98,894	-
Other debtors	12,006	25,544
Prepayments and accrued income	22,955	73,421
	4,820,311	3,703,932

6 Creditors amounts falling due within one year

	2007	2006
	£	£
Trade creditors	91	8,539
Amounts owed to group undertakings	280,000	280,000
Corporation tax	-	69,378
Other creditors	2,394,022	1,805,369
Accruals and deferred income	1,118,674	513,805
	3,792,787	2,677,091

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2007

7. Called up share capital

	2007	2006
	£	£
Equity share capital:		
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

8. Reserves

	Profit and loss account £
At 1 October 2006	1,190,651
Profit for the financial year	188,707
At 30 September 2007	<u>1,379,358</u>

9. Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
At 1 October	1,190,751	1,043,516
Profit for the financial year	188,707	147,235
At 30 September	<u>1,379,458</u>	<u>1,190,751</u>

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 and members, 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 £334,589 (2006: £469,597). Contributions of £25,492 (2006: £nil) were outstanding at the year end and are included in other creditors.

LTA Services Limited

Notes to the financial statements (continued)

For the year ended 30 September 2007

11. Financial commitments

At 30 September 2007 LTA Services Limited had annual commitments under non-cancellable operating leases for assets, other than land and buildings, and other financial commitments as follows

	2007	2006
	£	£
Operating leases which expire within two to five years	<u>155,160</u>	<u>137,690</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