

## **LTA Services Limited**

### **Report and financial statements**

**For the year ended 30th September 2010**

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# **LTA Services Limited**

## **Report and financial statements**

**For the year ended 30th September 2010**

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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 2010

### **Principal activity**

The Company's principal activity is the provision of manpower services to the LTA Group

### **Review of business**

Both the level of business and the year end position were satisfactory. There are no significant financial risks facing the Company.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately.

### **Key performance indicators ("KPIs")**

Given the nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Results and dividends**

The profit for the year was £100,574 (2009: £145,302) and the Directors recommend that no dividend is paid this year (2009: £nil). The retained profit has been transferred to reserves.

### **Directors**

The Directors of the Company who served during the year are listed below:

P Bretherton  
R J Draper  
D P Howorth

# **LTA Services Limited**

## **Directors' report (continued)**

### **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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

### **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.

By order of the Board



P A Preston  
Secretary

15 December 2010

# **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 2010 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).

## **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 chapter 3 of part 16 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 2010 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.

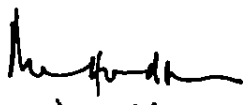
# **Independent auditors' report to the members of LTA Services Limited**

**(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**

**15 December 2010**

# **LTA Services Limited**

## **Profit and loss account**

For the year ended 30th September 2010

	Notes	2010 £	2009 £
Turnover	1	14,729,435	14,773,143
Operating expenses	2	(14,628,930)	(14,678,852)
<b>Operating profit</b>		<u>100,505</u>	<u>94,291</u>
Interest receivable		69	8,463
<b>Profit on ordinary activities before taxation</b>		<u>100,574</u>	<u>102,754</u>
Tax on profit on ordinary activities	4	-	42,548
<b>Profit for the financial year</b>	8	<u>100,574</u>	<u>145,302</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 30th September 2010

	Notes	2010 £	2009 £
<b>Current assets</b>			
Debtors	5	473,252	1,072,624
Cash at bank and in hand		4,159,194	2,423,838
		<u>4,632,446</u>	<u>3,496,462</u>
<b>Creditors: amounts falling due within one year</b>	6	(2,916,642)	(1,881,232)
<b>Total assets less current liabilities</b>		<u>1,715,804</u>	<u>1,615,230</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Profit and loss account	8	1,715,704	1,615,130
<b>Equity shareholders' funds</b>	9	<u>1,715,804</u>	<u>1,615,230</u>

The financial statements on pages 5 to 11 were approved and authorised for issue by the board of directors on 15 December 2010 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 30th September 2010**

### **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.

#### **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 - Cash Flow Statements.

The company is also exempt under Financial Reporting Standard 8 - Related Party Disclosures 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 30th September 2010**

### **2 Operating profit**

Operating profit is stated after charging

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating lease rentals - vehicles	<u>174,579</u>	<u>110,650</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

	<b>2010</b>	<b>2009</b>
	<b>No.</b>	<b>No.</b>
Development	104	96
Central services	70	73
National training	68	69
Tournament and events	17	18
Marketing and sponsorship	17	15
Coaching	4	4
	<u>280</u>	<u>275</u>

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Salaries and fees	11,403,245	11,279,532
Social security costs	1,313,317	1,322,930
Other pension costs	507,549	482,567
	<u>13,224,111</u>	<u>13,085,029</u>

# **LTA Services Limited**

## **Notes to the financial statements (continued)**

**For the year ended 30th September 2010**

### **4. Taxation**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK Corporation tax on profits for the year	-	-
Adjustment in respect of previous years	-	(42,548)
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>(42,548)</b>
<b>Reconciliation of current tax charge:</b>		
Profit on ordinary activities before taxation	100,574	102,754
Profit on ordinary activities multiplied by standard corporation tax rate in the UK of 21% (2009 28%)	21,121	28,771
Effects of		
Expense imputed or non-deductible for tax purposes	1,190	-
Group relief	(22,311)	(21,579)
Rate differences - current tax	-	(7,192)
Adjustment in respect of previous years	-	(42,548)
<b>Total current tax charge/(credit)</b>	<b>-</b>	<b>(42,548)</b>

### **5. Debtors**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	23,500	55,231
Amounts owed by ultimate parent undertaking	-	609,605
Amounts owed by group undertakings	172,474	251,132
Amounts owed by Tennis Foundation	139,580	-
Prepayments and accrued income	137,698	156,656
	<b>473,252</b>	<b>1,072,624</b>

### **6 Creditors' amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,357	-
Amounts owed to ultimate parent undertaking	450,353	-
Other creditors	859,197	633,032
Accruals and deferred income	1,605,735	1,248,200
	<b>2,916,642</b>	<b>1,881,232</b>

## **LTA Services Limited**

### **Notes to the financial statements (continued)**

For the year ended 30th September 2010

#### **7. Called up share capital**

	2010 £	2009 £
<b>Equity share capital:</b>		
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

#### **8 Reserves**

	<b>Profit and loss account £</b>
At 1 October 2009	1,615,130
Profit for the financial year	100,574
At 30 September 2010	<u>1,715,704</u>

#### **9. Reconciliation of movements in shareholders' funds**

	2010 £	2009 £
At 1 October	1,615,230	1,469,928
Profit for the financial year	100,574	145,302
At 30 September	<u>1,715,804</u>	<u>1,615,230</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 £507,549 (2009 £482,567). Contributions of £nil (2009 £nil) were outstanding at the year end.

## **LTA Services Limited**

### **Notes to the financial statements (continued)**

**For the year ended 30th September 2010**

#### **11. Financial commitments**

At 30 September 2010 LTA Services Limited had annual commitments under non-cancellable operating leases for assets, other than land and buildings, and other financial commitments as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
within one year	-	8,699
within two to five years	158,435	11,789
	<u>158,435</u>	<u>20,488</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