

**LTA Services Limited**

**Report and financial statements  
for the year ended 30 September 2004**



# **LTA Services Limited**

## **Report and financial statements for the year ended 30 September 2004**

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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 2004.

### **Principal activity and business review**

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

### **Review of business and future developments**

Both the level of business and the year end position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### **Profit and loss account**

The profit for the year was £123,236 (2003:£107,330) and the directors recommend that no dividend is paid this year (2003:£nil).

### **Directors**

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

D P Howorth

C R Trippe

S G Smith

No director has any beneficial interest in the shares of the company.

### **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 2004. 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, 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 the provisions of section 379A of the United Kingdom 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.

By order of the board



Derek Howorth  
Director

4 November 2004

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

We have audited the financial statements on pages 3 to 7.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. 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 United Kingdom Companies Act 1985. 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.

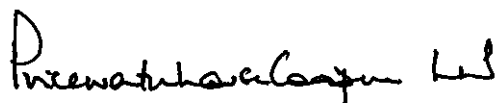
### **Basis of opinion**

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**London**

**4 November 2004**

**LTA Services Limited**  
**Profit and loss account**  
**for the year ended 30 September 2004**

	Notes	2004 £	2003 £
Turnover	2	7,402,932	7,638,802
Net operating expenses		(7,329,647)	(7,563,991)
Operating profit		<u>73,285</u>	<u>74,811</u>
Interest receivable and similar income		104,453	74,009
Profit on ordinary activities before taxation	3	<u>177,738</u>	<u>148,820</u>
Tax on profit on ordinary activities	5	(54,502)	(41,490)
Retained profit for the financial year	9	<u><u>123,236</u></u>	<u><u>107,330</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 5 to 7 form an integral part of these Accounts.

**LTA Services Limited**  
**Balance Sheet**  
**at 30 September 2004**

	Notes	2004 £	2003 £
<b>Current assets</b>			
Debtors	6	301,520	178,572
Cash at bank and in hand		<u>4,533,764</u>	<u>4,902,885</u>
		4,835,284	5,081,457
<b>Creditors: amounts falling due within one year</b>	7	(3,962,015)	(4,331,424)
<b>Net assets</b>		<u>873,269</u>	<u>750,033</u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	873,169	749,933
<b>Equity shareholders' funds</b>	10	<u>873,269</u>	<u>750,033</u>

The financial statements on pages 3 to 7 were approved by the board of directors on 4 November 2004 and were signed on its behalf by:



Derek Howorth  
Director

The notes on pages 5 to 7 form an integral part of these Accounts.

**LTA Services Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 2004**

**1 Principal accounting policies**

**Basis of financial statements**

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

**Cash flow statement**

The company has taken advantage of its exemption from producing a cash flow on the basis that it is a wholly owned subsidiary of a UK company.

**Pensions**

The company operates a defined contribution pension scheme covering the majority of its employees. The costs of this scheme are charged to the profit and loss account as incurred.

**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.  
Provision for deferred tax is made in respect of all timing differences that have originated but not reversed, by the balance sheet date. The provision for deferred tax is not discounted. Deferred tax assets are only recognised to extent that it is regarded that they will be recovered.

**2 Turnover**

	2004	2003
	£	£
Manpower services	<u>7,402,932</u>	<u>7,638,802</u>

Turnover, net of value added tax, consists entirely of revenue generated in the United Kingdom.

**3 Profit on ordinary activities before taxation**

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

**LTA Services Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 2004 (continued)**

**4 Directors' emoluments and employee information**

	2004 No.	2003 No.
The average weekly number of persons employed by the company during the year was:	166	177
Central Services	20	17
Marketing and Sponsorship	31	34
National Training	28	32
Coaching	8	7
Tournament and Events	21	18
Development	58	69
	166	177
	2004 £	2003 £
Salaries and fees	5,675,599	5,944,208
Social security costs	681,401	666,626
Other pension costs	359,873	326,315
Premium for life insurance	65,250	103,044
	6,782,123	7,040,193

None of the directors received any remuneration for their services.

**5 Taxation**

	2004 £	2003 £
Tax Charge	54,502	41,490
Profit before tax @30%	53,321	45,231
Difference	(1,181)	3,741
Explained by:	£	£
Permanent differences:		
Marginal relief	868	2,640
Prior year adjustment	(562)	2,073
Disallowance for expensive leased cars	(1,487)	(972)
	(1,181)	3,741

**6 Debtors: amounts falling due within one year**

	2004 £	2003 £
Other debtors	301,520	178,572
	301,520	178,572

**7 Creditors: amounts falling due within one year**

	2004 £	2003 £
Amount due to ultimate parent undertaking	3,520,404	3,520,404
Other creditors	387,657	767,442
Corporation tax	53,954	43,578
	3,962,015	4,331,424



**LTA Services Limited**  
**Notes to the financial statements**  
**for the period ended 30 September 2004 (continued)**

**8 Called up share capital**

	2004 £	2003 £
<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

**9 Reserves**

	Profit and loss account £
At 1 October 2003	749,933
Retained profit for the financial year	123,236
At 30 September 2004	873,169

**10 Reconciliation of movements in shareholders' funds**

	2004 £	2003 £
Opening shareholders' funds	750,033	642,703
Profit for the financial year	123,236	107,330
Closing shareholders' funds	873,269	750,033

**11 Pension commitments**

The company operates a defined contribution pension scheme for its employees, the assets of which are held in a separate trustee administered fund. The trustees of the scheme are all officers of the company.

The pension fund is funded by contributions from the company and the employees.

Annual contributions to the scheme by the company were related to pensionable salaries and length of service and the total pension cost charged for the year amounted to £359,873 (2003:£326,315). These contributions were based on rates as approved by the trustees. There were no outstanding or prepaid contributions as at 30 September 2004.

**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. Its principal place of business is The Queen's Club, Barons Court, West Kensington, London, W14 9EG.