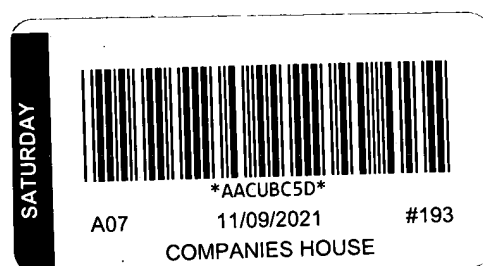


Registered number: 00573221

# **CARLTON CLUB (LONDON) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**CARLTON CLUB (LONDON) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	John East Sir Anthony Garrett CBE Stuart Goldsmith George Kynoch OBE Sir Alistair MacKechnie David Curtin
<b>COMPANY SECRETARY</b>	Simon Robinson LVO
<b>REGISTERED NUMBER</b>	00573221
<b>REGISTERED OFFICE</b>	69 St James's Street London SW1A 1PJ
<b>INDEPENDENT AUDITORS</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**CARLTON CLUB (LONDON) LIMITED**

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## **CARLTON CLUB (LONDON) LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **INTRODUCTION**

The principal activity of the company continued to be that of the provision of services to the members of the Carlton Club. The company will continue to provide such services for the foreseeable future.

#### **BUSINESS REVIEW**

2020 has been an unusual and challenging year. It started encouragingly but, as the global Coronavirus pandemic began to gather pace, business activity slowed until the Club was required to close on the 19th of March. The Club re-opened from the 6th of July, subject to Government restrictions but was required to close its doors again from 4th of November. There followed a brief period of opening between the 2nd and 16th of December, before the Club was forced to close yet again.

This intermittent opening and closing significantly affected trading activities and despite the Club taking advantage of the government's furlough scheme and business rates holiday, an operating loss of £206,000 was made compared to an operating surplus of £49,000 in 2019.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

**COVID-19** - The COVID-19 virus continues to have a significant impact on the global economy. The health and safety of the Club's members and employees is its priority and the Club continues to follow the government's requirement for companies to follow lockdown and restriction rules. Closure, restricted access, social-distancing and curfews all directly affect the Club's revenues.

Following the government's Lockdown roadmap announcement on 22 February 2021, the Directors plan to re-open the Club as soon as it is permitted.

The Club has prepared cash flow forecasts using the assumptions that there will be no further lockdowns after April 2021 but business will be slow to pick up. If there was another lockdown, the Club may need to draw down on its investment portfolio, however, governmental support including the Coronavirus Job Retention Scheme, deferral of VAT payments and a business rates holiday for hospitality businesses is likely to mitigate the Club's cash requirements.

Global equity markets have fluctuated during the year and will probably continue to do so. However the Directors consider that the value of the Club's investment portfolio, together with its cash reserves, is sufficient to justify adopting the going concern basis in preparing the accounts.

**Membership risk** - The main key performance indicator is the membership numbers of the Club. Membership tariffs are reviewed on a regular basis to ensure that both the price and suitability of the tariffs are appropriate for the member base of the Club. Retention of members and their support whilst the Club has been closed has been a key factor in the Club not facing considerably higher losses in 2020.

**Interest rate risk** - The Club has no bank loans and therefore is not exposed to interest rate risk from the perspective of borrowings. As part of the Treasury management of the Club and in order to secure the most favourable interest rates, all surplus cash is deposited on a money market account and a high interest deposit account. However at the moment, with such historically low interest rates, interest earned on cash balances is not significant.

**Credit risk** - the Club also recognises that credit risk and liquidity could pose a potential threat to the company and therefore specific credit terms are stated on all invoices. The Club then follows appropriate procedures when monies are not received and provides against any irrecoverable balances in the unlikely event that amounts are doubtful.

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**CARLTON CLUB (LONDON) LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

Foreign exchange risk - The Club is exposed to foreign currency fluctuations but this is in relation to membership income and donations only, whereby the member is based overseas and as this represents an insignificant risk to the business, no hedging or forward contract agreements are deemed necessary. Fluctuations in foreign currency will affect decisions to purchase wines especially from Europe.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Income for 2020 was £2,435k compared to £4,202k for 2019.

The Operating loss for 2020 was £206k, compared to a surplus of £49k for 2019.

This report was approved by the board on 30 March 2021 and signed on its behalf by.



**David Curtin**  
Director

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## **CARLTON CLUB (LONDON) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, 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 that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 surplus or deficit of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £110,000 (2019 - profit £168,000)

#### **DIRECTORS**

The directors who served during the year were:

John East  
Sir Anthony Garrett CBE  
Stuart Goldsmith  
George Kynoch OBE  
Sir Alistair Mackechnie  
David Curtin

#### **POLITICAL CONTRIBUTIONS**

During the year the company made no political donations.

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**CARLTON CLUB (LONDON) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**POST BALANCE SHEET EVENTS**

*Continued impact of Coronavirus (COVID-19)*

Following the government's announcement on 22 February 2021, the Club will reopen at the earliest opportunity, planned to be on 12 April 2021, assuming that COVID-19 is still controllable.

The Club has been granted permission by HMRC to pay its previous Q1 2020 VAT liability in 11 instalments between March 2021 and January 2022.

**AUDITORS**

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 March 2021 and signed on its behalf.



**Simon Robinson LVO**  
Secretary

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**CARLTON CLUB (LONDON) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLTON CLUB (LONDON) LIMITED**

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**OPINION**

We have audited the financial statements of Carlton Club (London) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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## **CARLTON CLUB (LONDON) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLTON CLUB (LONDON) LIMITED (CONTINUED)**

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#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**CARLTON CLUB (LONDON) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLTON CLUB (LONDON) LIMITED  
(CONTINUED)**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted above materiality;
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Beard (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

10 Queen Street Place  
London  
EC4R 1AG

30 March 2021

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**CARLTON CLUB (LONDON) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £000
Income	4	2,435	4,202
Direct costs		(288)	(682)
<b>GROSS SURPLUS</b>		<b>2,147</b>	<b>3,520</b>
Other income	5	513	-
Administrative expenses		(2,866)	(3,471)
<b>OPERATING (LOSS)/SURPLUS</b>	6	<b>(206)</b>	<b>49</b>
Surplus on disposal of investments		28	-
Income from fixed asset investments		10	14
Fair value movements		82	126
Interest receivable and similar income		1	4
Interest payable and similar charges	9	(2)	(3)
<b>(LOSS)/SURPLUS BEFORE TAX</b>		<b>(87)</b>	<b>190</b>
Tax on (loss)/surplus	10	(23)	(22)
<b>(LOSS)/SURPLUS FOR THE FINANCIAL YEAR</b>		<b>(110)</b>	<b>168</b>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 13 to 24 form part of these financial statements.

**CARLTON CLUB (LONDON) LIMITED**  
**REGISTERED NUMBER:00573221**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>FIXED ASSETS</b>			
Tangible assets	11	2,724	2,823
Investments	12	1,228	1,269
		<u>3,952</u>	<u>4,092</u>
<b>CURRENT ASSETS</b>			
Stocks	13	798	784
Debtors: amounts falling due within one year	14	147	273
Cash at bank and in hand		520	458
		<u>1,465</u>	<u>1,515</u>
Creditors: amounts falling due within one year	15	(772)	(874)
<b>NET CURRENT ASSETS</b>		<u>693</u>	<u>641</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,645</u>	<u>4,733</u>
Creditors: amounts falling due after more than one year	16	(583)	(583)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	17	(38)	(16)
		<u>(38)</u>	<u>(16)</u>
<b>NET ASSETS</b>		<u>4,024</u>	<u>4,134</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	169	169
Profit and loss account	18	3,855	3,965
		<u>4,024</u>	<u>4,134</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2021.



**David Curtin**  
Director

The notes on pages 13 to 24 form part of these financial statements.

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**CARLTON CLUB (LONDON) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital £000	Income and expenditure account £000	Total equity £000
<b>At 1 January 2019</b>	169	3,797	3,966
Surplus for the year	-	168	168
<b>At 1 January 2020</b>	169	3,965	4,134
Loss for the year	-	(110)	(110)
<b>AT 31 DECEMBER 2020</b>	169	3,855	4,024

The notes on pages 13 to 24 form part of these financial statements.

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**CARLTON CLUB (LONDON) LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	2020 £000	2019 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/surplus for the financial year	(110)	168
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	408	380
Profit on disposal of investment	(28)	-
Interest paid and other financial costs	2	3
Investment income and Interest received	(11)	(18)
Taxation charge	23	22
Increase in stocks	(14)	(45)
Decrease/(increase) in debtors	126	(44)
Decrease in creditors	(101)	(106)
Net fair value gains recognised in P&L	(82)	(126)
Corporation tax (paid)	(1)	(21)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>212</u>	<u>213</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(309)	(361)
Purchase of listed investments	(100)	(250)
Sale of listed investments	250	-
Interest received	1	14
Income from investments	10	4
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(148)</u>	<u>(593)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2)	(3)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(2)</u>	<u>(3)</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>62</u>	<u>(383)</u>
Cash and cash equivalents at beginning of year	458	841
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u>520</u>	<u>458</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<u>520</u>	<u>458</u>

The notes on pages 13 to 24 form part of these financial statements.

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**CARLTON CLUB (LONDON) LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	458	62	520
Loan from Carlton Club due after one year	(583)	-	(583)
	<u>(125)</u>	<u>62</u>	<u>(63)</u>

The notes on pages 13 to 24 form part of these financial statements.

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## CARLTON CLUB (LONDON) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. GENERAL INFORMATION

Carlton Club (London) Limited is a limited company incorporated in England.

The registered office is 69 St James's Street, London, SW1A 1PJ.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### 2.2 GOING CONCERN

In assessing the company's ability to continue as a going concern, the Directors have considered the company's liquidity position and reviewed cash flow forecasts for the foreseeable future. In addition to its cash reserves, it has an investment portfolio to draw upon and a leasehold property, with no external debt or security.

The Club has prepared cash flow forecasts which allow for the closure of the Club for several months and the mitigating factors it can take to minimise costs during that time. The forecasts indicate that during the year it may need to further draw down on the investment portfolio, however, governmental support including the Coronavirus Job Retention Scheme, deferral of VAT payments and a business rate holiday for hospitality businesses, is again likely to mitigate the Club's cash requirements.

The Directors continue to adopt the going concern basis in preparing the accounts.

##### 2.3 INCOME

Income comprises amounts recognised by the company in respect of subscriptions receivable from members, catering and accommodation sales and other income from the provision of services to members of the Carlton Club.

##### 2.4 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the remaining term of the lease
Leasehold Improvements	- Over 5 - 30 years
Furniture, fittings and equipment	- Over 3 - 20 years
(except antiques and fine art)	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

No depreciation is provided on antiques and fine art. It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the board considers that the lives of these assets are so long and residual values are so high that their depreciation is insignificant.

Any permanent diminution in the value of such assets is charged to the Statement of Comprehensive Income. Repairs and renewals of furniture and fittings are charged to the Statement of Comprehensive Income in the year incurred.

**2.6 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.7 VALUATION OF INVESTMENTS**

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised within profit or loss in the Statement of Comprehensive Income for the period.

**2.8 STOCKS**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete or slow-moving stock.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 DEBTORS**

Short term debtors are measured at transaction price, less any impairment.

**2.10 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 FINANCIAL INSTRUMENTS**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

**2.12 CREDITORS**

Short term creditors are measured at the transaction price.

**2.13 PENSIONS**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds

**2.14 TAXATION**

Taxation arises on investment income and profit on the sale of fixed assets. There is no taxation on trading profits, nor any relief for trading losses. No deferred tax is provided on the potential gains of the disposal of antiques and works of art due to the complexity of assessing such liability.

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from these estimates. The directors consider the following items to be areas subject to estimation and judgement.

*Tangible Fixed Assets*

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively.

*Accruals*

The value associated to the accrual for painting of the outside stonework has been subjectively estimated based on the latest quote and additional work that management believe will occur within the next accounting period. Due to the significant variance of different quotes obtained, the results will be compiled together to form the best estimate and the charge within the accounts adjusted accordingly.

**4. INCOME**

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Subscriptions	1,469	1,456
Accommodation	192	817
Food, Liquor and Tobacco Sales	699	1,699
Other Income	75	230
	<u>2,435</u>	<u>4,202</u>

All turnover arose within the United Kingdom.

**5. OTHER OPERATING INCOME**

	2020 £000	2019 £000
Government Grant: Coronavirus Job Retention Scheme	513	-
	<u>513</u>	<u>-</u>

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. OPERATING SURPLUS**

The operating surplus is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	408	380
Defined contribution pension cost	63	55

**7. AUDITORS' REMUNERATION**

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	18	15
Fees payable to the Company's auditor and its associates for non-audit work	2	1

**8. EMPLOYEES**

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	1,676	1,768
Social security costs	137	137
Cost of defined contribution scheme	63	55
	<u>1,876</u>	<u>1,960</u>

The average monthly number of employees during the year was as follows:

	2020 No.	2019 No.
Catering	35	36
Porters	5	6
Administration	6	6
House Keeping	7	6
	<u>53</u>	<u>54</u>

Seven (2019: six) people are considered to be key management personnel. Total remuneration in respect of key management personnel is £433,000 (2019 - £382,000).

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**CARLTON CLUB (LONDON) LIMITED**

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**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £000	2019 £000
Bank interest and other charges payable	2	3
	<u>2</u>	<u>3</u>

**10. TAXATION**

	2020 £000	2019 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	1	1
	<u>1</u>	<u>1</u>
<b>TOTAL CURRENT TAX</b>	<u>1</u>	<u>1</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	22	21
<b>TOTAL DEFERRED TAX</b>	<u>22</u>	<u>21</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>23</u>	<u>22</u>

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**10. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	(86)	190
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1	1
<b>EFFECTS OF:</b>		
Other timing differences leading to an increase in taxation	22	21
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>23</b>	<b>22</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**11. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £000	Other fixed assets £000	Total £000
<b>COST OR VALUATION</b>			
At 1 January 2020	3,451	2,633	6,084
Additions	136	173	309
At 31 December 2020	3,587	2,806	6,393
<b>DEPRECIATION</b>			
At 1 January 2020	2,194	1,067	3,261
Charge for the year on owned assets	285	123	408
At 31 December 2020	2,479	1,190	3,669
<b>NET BOOK VALUE</b>			
At 31 December 2020	1,108	1,616	2,724
At 31 December 2019	1,257	1,566	2,823

**12. FIXED ASSET INVESTMENTS**

	Listed investments £000
<b>VALUATION</b>	
At 1 January 2020	1,269
Additions	100
Disposals	(250)
Revaluations	109
At 31 December 2020	1,228

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. STOCKS**

	2020 £000	2019 £000
Finished goods and goods for resale	798	784
	<u>798</u>	<u>784</u>

**14. DEBTORS**

	2020 £000	2019 £000
Trade debtors	3	74
Other debtors	29	15
Prepayments and accrued income	115	184
	<u>147</u>	<u>273</u>



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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £000	2019 £000
Trade creditors	141	243
Corporation tax	1	1
Other taxation and social security	276	190
Other creditors	23	52
Accruals and deferred income	331	388
	<hr/> 772	<hr/> 874
	<hr/> <hr/>	<hr/> <hr/>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £000	2019 £000
Amounts owed to The Carlton Club	583	583
	<hr/> 583	<hr/> 583
	<hr/> <hr/>	<hr/> <hr/>

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**17. DEFERRED TAXATION**

	2020 £000
At beginning of year	(16)
Charged to profit or loss	(22)
<b>AT END OF YEAR</b>	<b>(38)</b>

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Capital Gains Tax (charge)/loss relating to fair value movement on investments	(38)	(16)
	<b>(38)</b>	<b>(16)</b>

**18. RESERVES****Income and expenditure account**

Income and expenditure account includes all current and prior period retained surplus and deficits.

**19. SHARE CAPITAL**

	2020 £000	2019 £000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
168,700 (2019 - 168,700) Authorised Share Capital shares of £1.00 each	169	169

**20. PENSION COMMITMENTS**

A defined contribution pension scheme is in operation for all employees subject to certain criteria. The assets of the scheme are held separately from those of the company in independently administered trusts. The amount charged against profits represent the contribution payable to the scheme in respect of the accounting period.

The pension charge for the year was £63,000 (2019: £55,000). Accrued pension payments totalled £8,631 (2019: £8,044).

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**CARLTON CLUB (LONDON) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**21. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	55	60
Later than 1 year and not later than 5 years	200	200
Later than 5 years	5,550	5,600
	<u>5,805</u>	<u>5,860</u>

During the period the company expensed rental costs of £61,000 (2019: £75,000) to the statement of comprehensive income in respect of operating lease commitments.

**22. RELATED PARTY TRANSACTIONS**

Included within creditors is £583,000 (2019: £583,000) in relation to a loan from Carlton Club. No interest is payable on this balance.

**23. POST BALANCE SHEET EVENTS**

Following the government's announcement on 22 February 2021, the Club will reopen at the earliest opportunity, planned to be on 12 April 2021, assuming that COVID-19 is still controllable.

The Club has been granted permission by HMRC to pay its previous Q1 2020 VAT liability in 11 instalments between March 2021 and January 2022.

**24. CONTROLLING PARTY**

The share capital of Carlton Club (London) Limited is 99.985% owned by Carlton Trustees (London) Limited whose capital is held in trust for the members of the Carlton Club. There is, therefore, no ultimate controlling party.