

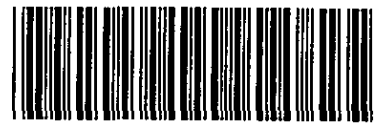
**QC Trustees Limited**

**\* Parent company accounts for QC Ground Limited - 5724660 \***

**Financial statements  
for the year ended**

**30 September 2015**

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COMPANIES HOUSE

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**DIRECTORS AND ADVISERS**

**Directors (Trustees)**

E S Mead (Chairman)  
B Anscomb  
R Hopkinson-Woolley  
R Edwards

**Secretary**

P S Dhanoa

**Registered office**

Palliser Road  
West Kensington  
London  
W14 9EQ

**Bankers**

Royal Bank of Scotland  
135 Bishopsgate  
London  
EC2M 3UR

**Auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

**Solicitors**

Clarke Willmott  
1 Georges Square  
Bath Street  
Bristol  
BS1 6BA

## **STRATEGIC REPORT**

### **Business review and future development**

The Club is run for the Members through a Board of Directors elected by the Members. This has enabled democratic governance, with Members determining the development of the Club, including new sporting facilities.

The June tournament contributes a substantial proportion of the Club's operating profits. The group is in a strong position to service its debt and to continue profitable operations.

Future development considerations will focus on improvements to the clubhouse and changes to other facilities. They will be designed to add to Members' enjoyment throughout the year, for the personal benefit of Members and financial benefit of The Queen's Club Limited.

### **Principal activities**

The principal activity of the group continues to be to own and manage a Club that provides lawn tennis, rackets, real tennis, squash, fitness facilities and catering for Club Members and for national and other events.

### **Results for the year and dividend**

The profit for the year after taxation was £1,735,933 (2014: £1,872,609). There are restrictions under the Articles of Association from making any dividend distribution to ordinary shareholders.

### **Financial risk management**

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and related finance costs.

#### *Price risk*

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in the UK.

#### *Credit risk*

The group has implemented policies that require appropriate status checks and or references as necessary.

#### *Liquidity risk*

The group actively monitors its subscription fees to ensure that it has sufficient available funds and capital in order to operate and meet its planned commitments.

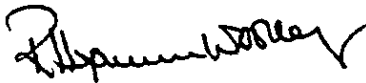
#### *Market Risk*

The approach to the investment risk is to place stock and shares in the hands of specialist asset managers. Asset managers have been provided with the rate of return objectives and guidelines as to portfolio mixes, bearing in mind the group's adverse risk nature.

**STRATEGIC REPORT (continued)**

*Cash flow risk*

The group has interest-bearing assets and had interest-bearing liabilities. Interest-bearing assets comprise cash balances which earn interest at a variable or fixed rate.



**R Hopkinson-Woolley**  
**Director**

28 January 2016

## **DIRECTORS' REPORT**

The directors present their report and the accounts for the company and the group for the year ended 30 September 2015

### **Directors**

The directors of the company, who are also trustees and who served during the year are

E S Mead (Chairman)  
B Anscomb  
I A Anton (resigned on 26 March 2015)  
R Hopkinson-Woolley  
R Edwards (appointed on 26 March 2015)

### **Purchase of own shares**

As part of the offer to Members to buy the Club, 81 redeemable shares of £1 each were repurchased by QC Holdings Limited for £1,066,580 net of costs. This represents 2.5% of the total number of redeemable shares issued.

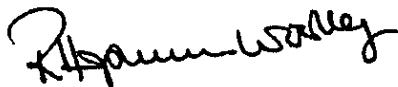
### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**R Hopkinson-Woolley**  
**Director**

Palliser Road  
West Kensington  
London  
W14 9EQ

28 January 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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, they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss of the company for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP  
*15 Canaday Square  
London  
E14 5GL  
United Kingdom*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QC TRUSTEES LIMITED**

We have audited the financial statements of QC Trustees Limited for the year ended 30 September 2015 set out on pages 9 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor's 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 and express an opinion on 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group and parent company's affairs as at 30 September 2015 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QC TRUSTEES LIMITED (continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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

**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 by the parent company, 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.

**Andrew Turner (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

*2 February 2016*

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 September 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>		10,820,136	10,417,928
<b>Cost of sales</b>		(1,064,296)	(1,079,223)
<b>Gross profit</b>		9,755,840	9,338,705
<b>Administrative expenses</b>		(8,436,718)	(7,947,684)
<b>Operating profit</b>		1,319,122	1,391,021
<b>Other income</b>		424,554	420,959
<b>Interest receivable and similar income</b>	4	78,205	98,938
<b>Interest payable and similar charges</b>	5	(6,954)	(6,954)
<b>Profit on ordinary activities before taxation</b>	3 - 5	1,814,927	1,903,964
<b>Tax (charge) / credit on profit on ordinary activities</b>	6	(78,994)	(31,355)
<b>Profit for the financial year</b>	19,20	1,735,933	1,872,609

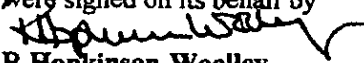
All of the group's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

The notes on pages 13 to 29 form part of the financial statements

**CONSOLIDATED BALANCE SHEET**  
**as at 30 September 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Negative goodwill	7	(16,233,806)	(16,378,886)
Tangible fixed assets	8	49,294,318	49,223,290
		<hr/>	<hr/>
		33,060,512	32,844,404
<b>Current assets</b>			
Stocks	10	179,500	194,877
Debtors	11	2,469,803	508,306
Cash		8,157,142	8,367,398
		<hr/>	<hr/>
		10,806,445	9,070,581
<b>Creditors: amounts falling due within one year</b>	12	(2,401,302)	(2,378,556)
		<hr/>	<hr/>
<b>Net current assets</b>		8,405,143	6,692,025
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		41,465,655	39,536,429
<b>Creditors: falling due after more than one year</b>	13	(9,583,691)	(9,466,361)
<b>Provisions for liabilities</b>	16	(445,540)	(458,331)
		<hr/>	<hr/>
<b>Net assets</b>		31,436,424	29,611,737
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	17	3	3
Profit and loss account	19	6,821,083	5,085,150
		<hr/>	<hr/>
<b>Total shareholders' funds</b>	20	6,821,086	5,085,153
<b>Member shares</b>	18	24,615,338	24,526,584
		<hr/>	<hr/>
		31,436,424	29,611,737
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors on 28 January 2016 and were signed on its behalf by

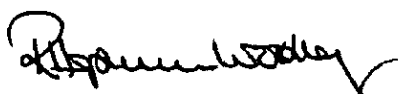
  
**R Hopkinson-Woolley**  
**Director**

The notes on pages 13 to 29 form part of the financial statements.

**COMPANY BALANCE SHEET**  
**as at 30 September 2015**

	<b>Notes</b>	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
<b>Fixed assets</b>			
Investments	9	1,750	1,750
		<hr/>	<hr/>
<b>Current assets</b>			
Cash		2	2
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	12	(1,749)	(1,749)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(1,747)	(1,747)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		3	3
		<hr/>	<hr/>
<b>Net assets</b>		3	3
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	17	3	3
		<hr/>	<hr/>
<b>Shareholders' funds</b>	20	3	3
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors 28 January 2016 and were signed on its behalf by



**R Hopkinson-Woolley**  
**Director**

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 September 2015

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	21	1,697,111	1,527,153
<b>Returns on investments and servicing of finance</b>			
Interest received	4	78,205	98,938
Bank loan interest paid		-	-
<b>Net cash inflow from returns on investments and servicing of finance</b>		78,205	98,938
<b>Taxation</b>			
Tax paid		(30,332)	(95,660)
Tax refunded in respect of prior periods		-	-
<b>Net cash outflow from taxation</b>		(30,332)	(95,660)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	8	(1,035,575)	(757,145)
<b>Net cash outflow for capital expenditure and financial investment</b>		(1,035,575)	(757,145)
<b>Cash inflow before management of liquid resources and financing</b>		709,409	773,286
<b>Financing</b>			
Issue of redeemable share capital (net of issue costs)	18	1,155,334	1,597,492
Repayment of debentures	22	(75,000)	-
<b>Net cash inflow from financing</b>		1,080,334	1,597,492
<b>Increase in cash in the year</b>	22	1,789,743	2,370,778

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of accounting**

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices and under the historical cost convention.

The directors have considered the factors that impact the company's future development performance, cash flow and financial position along with the company's current liquidity in forming their opinion on the going concern basis. The directors have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of QC Trustees Limited and all of its subsidiary undertakings drawn up to 30 September 2015. The results of subsidiaries acquired or sold are consolidated for periods from or to the date on which control passes. Acquisitions are accounted for under the acquisition method. No profit and loss account is presented for QC Trustees Limited as permitted by section 408(3) of the Companies Act 2006. The result after taxation of the company for the year ended 30 September 2015 was £nil (2014: £nil).

#### **Goodwill and negative goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off over its useful economic life, which is 120 years. Depreciation rates derive from the fixed asset note below. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

#### **Fixed assets**

Depreciation is provided on cost or revalued amounts in annual instalments over the estimated useful lives of the assets concerned. All assets are depreciated on a straight line basis.

Leasehold land and buildings	life of lease
Leasehold improvements	10 to 50 years
Plant and equipment	3-5 years

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies (continued)

#### **Investments in subsidiaries**

Investments in subsidiaries are measured by reference to the cash proceeds paid in consideration of the shares issued. Where non-cash consideration is given in consideration of shares, fair value of the non-cash consideration is taken as the value of the investment in the subsidiary

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Bank borrowings**

Bank borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument.

#### **Taxation**

The (credit)/charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognized, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as required by FRS 19.

#### **Turnover**

Turnover represents income receivable from subscriptions, court fees, catering, tournament income and sales of sports goods. Subscriptions are invoiced annually in advance and revenue is recognised as it accrues. All other revenue is recognised at the time of invoicing.

#### **Leases**

All rents receivable are in respect of operating leases and the annual rentals are recognised in the profit and loss account on a straight line basis over the lease term.

Rentals under operating leases are charged on a straight-line basis, even if the payments are not made on such a basis.

#### **Pension costs**

Employees have the option to join a defined contribution private pension schemes. In July 2014, as required by current legislation all eligible employees were auto enrolled into the pension scheme. Costs charged to the profit and loss account equate to the contributions payable to the schemes for the accounting period.

#### **Members' shares**

Member shares represent funds from members. These funds comprise ordinary shares, redeemable shares and special shares. Member shares are not considered shareholders' funds and are disclosed separately on the face of the balance sheet within capital and reserves.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Accounting policies (continued)**

#### **Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probably that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **Investments**

Investments are stated at the lower of cost and net realisable value at the balance sheet date. Gains and losses on revaluation of investments are included in the Profit and Loss account.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Staff costs

	2015 £	2014 £
Wages and salaries	3,063,774	2,977,636
Social security costs	288,195	283,618
Other pension costs	163,488	150,530
	<u>3,515,457</u>	<u>3,411,784</u>

No directors received any remuneration in the financial year (2014: £nil)

The average number of persons employed by the group during the year was:

	2015 Number	2014 Number
Administration	13	13
Club	41	40
Catering	25	25
Grounds and maintenance	13	13
	<u>92</u>	<u>91</u>

### 3 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2015 £	2014 £
Depreciation	961,940	923,743
Release of negative goodwill	(145,080)	(145,080)
Auditor's remuneration		
- audit of these financial statements	2,020	2,000
- audit of financial statements of subsidiaries	16,665	16,500
	<u></u>	<u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Interest receivable and similar income**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	78,205	98,938
	<u>78,205</u>	<u>98,938</u>

**5 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Finance costs on debentures	6,954	6,954
	<u>6,954</u>	<u>6,954</u>

**6 Tax on profit on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
(a) UK corporation tax at 20% (2014: 20%)		
Current tax on income in the year	<u>77,687</u>	<u>30,332</u>
Total current tax	<u>77,687</u>	<u>30,332</u>
Origination/reversal of timing differences	<u>1,307</u>	<u>1,023</u>
Tax on profit on ordinary activities	<u>78,994</u>	<u>31,355</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Tax on profit on ordinary activities (continued)

#### (b) Factors affecting tax (credit)/charge for the current year

The current tax charge for the year is 20% (2014: lower) than the standard rate of corporation tax in the UK 20% (2014: 20%). The differences are explained below.

	2015 £	2014 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,814,927	1,903,964
	<hr/>	<hr/>
Current tax at 20% (2014: 20%)	362,986	380,793
Effects of:		
Release of negative goodwill or amortisation	(29,015)	(29,015)
Expenses not deductible for tax purposes	86,627	4,846
Non-trade deficits		(4,846)
Capital allowances for year in surplus of depreciation	(90,271)	(50,326)
Marginal relief	1,487	-
Other adjustments		(562)
Profits from members' activities	(367,920)	(375,920)
Capital allowances on members assets	113,793	105,362
	<hr/>	<hr/>
Total current tax charge	77,687	30,332
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

<b>7</b>	<b>Negative goodwill</b>	<b>£</b>
	<b>Cost</b>	
	At 1 October 2014 and at 30 September 2015	(17,408,945)
	<b>Amortisation</b>	
	At 1 October 2014	1,030,059
	Charge for the year	145,080
	At 30 September 2015	1,175,139
	<b>Net book value</b>	
	At 30 September 2015	(16,233,806)
	At 30 September 2014	(16,378,886)

The negative goodwill arose on the acquisition of The Queen's Club Limited and its wholly owned subsidiary, QC Ground Limited

## NOTES TO THE FINANCIAL STATEMENTS

8	Tangible fixed assets	Leasehold land and buildings £	Leasehold Improve- ments £	Plant and Equipment £	Total £
	<b>Cost</b>				
	At 1 October 2014	49,360,888	2,323,918	2,278,343	53,963,149
	Additions	-	812,712	222,863	1,035,575
	Disposals	-	-	(242,033)	(242,033)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 30 September 2015	49,360,888	3,136,630	2,259,173	54,756,691
		<hr/>	<hr/>	<hr/>	<hr/>
	<b>Depreciation</b>				
	At 1 October 2014	2,912,123	534,365	1,293,371	4,739,859
	Charge for the year	408,640	190,179	363,121	961,940
	Disposals	-	-	(239,426)	(239,426)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 30 September 2015	3,320,763	724,544	1,417,066	5,462,373
		<hr/>	<hr/>	<hr/>	<hr/>
	<b>Net book value</b>				
	At 30 September 2015	46,040,125	2,412,086	842,107	49,294,318
		<hr/>	<hr/>	<hr/>	<hr/>
	At 30 September 2014	46,448,765	1,789,553	984,972	49,223,290
		<hr/>	<hr/>	<hr/>	<hr/>

The directors are not aware of any material change in value of the Club and leasehold land and buildings and therefore determine that the cost as set out above reflects the true and fair value of the asset

## NOTES TO THE FINANCIAL STATEMENTS

<b>9</b>	<b>Investments in subsidiaries</b>	<b>Shares in subsidiaries</b>
		<b>£</b>
	<b>Cost</b>	
	At 1 October 2014 and at 30 September 2015	1,750

The principal subsidiary undertakings, all of which are incorporated in Great Britain, are:

	<b>Type of business</b>	<b>% of Ordinary Shares held</b>
QC Holdings Limited	Holding company	97.5% directly
The Queen's Club Limited	Sports club	100% indirectly
QC Ground Limited	Leaseholder of premises	100% indirectly

QC Ground Ltd has taken exemption under S479A of the Companies Act 2006 from producing audited accounts.

<b>10</b>	<b>Stocks</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	40,714	37,163
	Finished goods and goods for resale	138,786	157,714
		<hr/>	<hr/>
		179,500	194,877
		<hr/>	<hr/>

<b>11</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade debtors	158,452	296,958
	Other debtors	2,020,132	15,480
	Other taxation and social security receivable	103,061	35,461
	Prepayments and accrued income	188,158	160,407
		<hr/>	<hr/>
		2,469,803	508,306
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

### 12 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	386,161	166,488	-	-
Amounts owed to subsidiary undertakings	-	-	1,749	1,74
Corporation tax	77,687	30,332	-	-
Deferred tax liability (note 15)	2,098	791	-	-
Accruals and deferred income	588,456	727,388	-	-
Other creditors	1,346,900	1,453,557	-	-
	<u>2,401,302</u>	<u>2,378,556</u>	<u>1,749</u>	<u>1,74</u>

Included in other creditors are amounts totalling £98,410 (2014: £114,500) due to some Members aged under 28 years old, who have made a 50% down-payment to have the right to acquire a redeemable share. If these Members fail to make payment for the remaining 50% when they turn 28 years old, the initial down-payment will be repaid by QC Holding Limited without interest.

Also included in other creditors are amounts totalling £1,066,500 (2014: £1,098,500) payable to Members who had expressed a wish to redeem their shares as at 30 September 2015.

### 13 Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Other creditors	1,032,376	847,000
Bank and other borrowings (note 14)	8,551,315	8,619,361
	<u>9,583,691</u>	<u>9,466,361</u>

Included in other creditors are amounts due to some Members aged under 28 years old, who have made a 50% down-payment to have the right to acquire a redeemable share. If the Member fails to make payment for the remaining 50% when they turn 28 years old, the initial down-payment will be repaid by QC Holding Limited without interest. At the year-end date, an amount of £735,500 (2014: £645,000) may be due to the Members under 22 years old after more than five years.

## NOTES TO THE FINANCIAL STATEMENTS

14	Bank and other borrowings	2015 £	2014 £
	<u>Debentures</u>		
	11 Class A debentures due in 2022	2,750,000	2,750,000
	33 Class B debentures due in 2022	4,125,000	4,125,000
	23 Class C debentures due in 2017	1,725,000	1,800,000
		<hr/>	<hr/>
		8,600,000	8,675,000
	Less finance costs	(48,685)	(55,639)
		<hr/>	<hr/>
	Total due after more than one year (note 13)	8,551,315	8,619,361
		<hr/>	<hr/>
	Total	8,551,315	8,619,361
		<hr/>	<hr/>

2015: One debenture C was redeemed. (2014. No debentures redeemed)

All debentures stated above do not carry any interest, are unsecured and rank pari passu. Class A debentures are in denominations of £250,000. Class B debentures are in denominations of £125,000, and Class C debentures are in denominations of £75,000. In addition to the right to redemption, the debentures carry certain benefits:

- option to subscribe for a redeemable share at a price of £1
- exemption from paying an annual subscription
- participation in a priority court-booking system
- benefits relating to the June Championship
- designation on an honourees board



## NOTES TO THE FINANCIAL STATEMENTS

17	Share capital	2015 £	2014 £
	<b>Authorised</b>		
	100 (2014: 100) ordinary shares of £1 each	100	100
	1 (2014: 1) special share of £1 each	1	1
			101
	<b>Allotted, called up and fully paid</b>		
	2 (2014: 2) ordinary shares of £1 each	2	2
	1 (2014: 1) special share of £1 each	1	1
		3	3

On 22 May 2007 The All England Lawn Tennis Ground plc (AELTG) acquired 45 ordinary shares in QC Holdings Limited for £360,000. In return, AELTG was issued one special share in each of QC Trustees Limited, QC Holdings Limited, The Queen's Club Limited and QC Ground Limited. These special shares do not carry any voting rights or rights to The special share gives AELTG a right of first refusal to acquire the companies' assets and liabilities at a 10% discounted market price in the event of a sale of the Club

## NOTES TO THE FINANCIAL STATEMENTS

### 18 Member shares Group

	Ordinary shares £	Redeemable shares £	Special shares £	Total £
As at 1 October 2014	360,000	24,166,581	3	24,526,584
Issue of shares, net of costs	-	1,155,334	-	1,155,334
Shares redeemed, net of costs	-	(1,066,580)	-	(1,066,580)
As at 30 September 2015	360,000	24,255,335	3	24,615,338

There are restrictions under the Articles of Association from making any dividend distribution to ordinary shareholders

The redeemable shares rank pari passu with each ordinary share, and each share carries a voting right 106 redeemable shares of £1 each were issued by QC Holdings Limited during the year ended 30 September 2015, raising £1,155,334

As at 30 September 2015, the redeemable shares issued by QC Holdings Limited can be redeemed up to a maximum of 5% of the total number of redeemable shares in issue as at the beginning of the current financial year. To this end, a capital reduction programme, agreed at the QC Holdings Limited AGM of 2010, has been implemented, creating a distributable reserves account, any future years' redemptions will be paid out of this reserve 81 members had expressed a wish to redeem their share as at 30 September 2015. The redemption value and the timing of future redemptions shall be determined by the directors from time to time.

### 19 Reserves – Group

	Profit and loss account £
At 1 October 2014	5,085,150
Profit for the financial year	1,735,933
At 30 September 2015	6,821,083

## NOTES TO THE FINANCIAL STATEMENTS

### 20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Profit for the financial year	1,735,933	1,872,609	-	-
Opening shareholders' funds	5,085,153	3,212,544	3	3
Closing shareholders' funds	6,821,086	5,085,153	3	3

### 21 Reconciliation of operating profit to net cash outflow from operating activities

	2015	2014
	£	£
Operating profit	1,319,122	1,391,021
Other income	424,554	420,959
Depreciation	961,940	923,744
Loss on disposal of assets	-	300
Amortisation of negative goodwill	(145,080)	(145,080)
(Increase)/decrease in stocks	15,377	(25,294)
(Increase)/decrease in debtors	38,503	(84,903)
Decrease in creditors	(917,305)	(953,594)
Net cash (outflow)/inflow from operating activities	1,697,111	1,527,153

### 22 Reconciliation of net cash flow to movement in net debt

	2015	2014
	£	£
Increase in cash in the year	1,789,743	2,370,778
Cash outflow from decrease in debentures	75,000	-
Movement in net debt in the year	1,864,743	2,370,778
Net debt at 1 October 2014	(307,602)	(2,678,380)
Net debt at 30 September 2015	1,557,141	(307,602)

## NOTES TO THE FINANCIAL STATEMENTS

### 23 Analysis of net debt

	At 30 September 2014 £	Cash flow £	At 30 September 2015 £
Cash at bank and in hand	8,367,398	(210,257)	8,157,141
Decrease in cash in the year	<u>8,367,398</u>	<u>(210,257)</u>	<u>8,157,141</u>
Debtures	(8,675,000)	75,000	(8,600,000)
Current asset investment	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>(307,602)</u>	<u>1,864,743</u>	<u>1,557,141</u>

### 24 Contingent liability

There are no contingent liabilities as at 30 September 2015.

### 25 Financial commitment

There are no financial commitments as at 30 September 2015

### 26 Controlling party

The ordinary share capital of the company is held by the Trustees under the terms of the Trust Deed for the Members of The Queen's Club

### 27 Related party transactions

The company owed £1,749 (2014: £1,749) to QCH Limited, a subsidiary company. There were no transactions in the year (2014: £nil).

**NOTES TO THE FINANCIAL STATEMENTS**

**28 Pension schemes**

Staff have the option to join a defined contribution private pension schemes. From July 2015, all eligible staff were auto enrolled on the companies' pension scheme. The pension cost charge represents contributions payable by the group to individual pension schemes and amounted to £163,488 (2014. £150,530).

**29 Capital commitments**

At 30 September 2015, the directors had authorised but not committed capital expenditure of £3,218,000 (2014. £1,185,800)