

## **QC Trustees Limited**

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

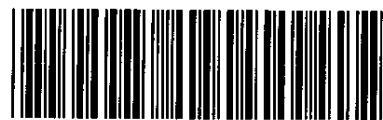
Report and Financial Statements

Year Ended

30 September 2019

Company Number 565811

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# QC Trustees Limited

## Report and financial statements for the year ended 30 September 2019

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### Directors

A Beeson  
R Edwards (Chairman)  
R Hopkinson-Woolley (resigned on 16 December 2019)  
H A Rudebeck

### Secretary and registered office

P Dhanoa  
Palliser Road, West Kensington, London, W14 9EQ

### Company number

5658119

### Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

# QC Trustees Limited

## Strategic report for the year ended 30 September 2019

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The directors present their strategic report of the parent company, QC Trustees Limited, and its subsidiaries (the "Company" and, together, the "Group") for the year ended 30 September 2019.

### Business review

The business of the group is operated by The Queen's Club Limited (the "Club"), which is run for the members through a board of directors elected by the members.

There were no significant adverse effects due to the uncertainties of Brexit. Like all UK companies, the Club is subject to levels of uncertainty of outcomes, with the full range of possible effects of Brexit unknown. We are concerned about the nature of Britain's exit from Europe, especially in terms of the ability to retain and recruit EU staff.

Future development considerations will focus on improvements to the facilities of the Club. They will be designed to add to members' enjoyment of the Club throughout the year.

In 2018 the QC Holdings Limited ("QC Holdings") report and financial statements showed, for the first time, that the redeemable shares were for accounting purposes classified as debt rather than as equity. The technical reasons for this were explained in those financial statements.

The directors of QC Holdings believed that it was neither the intention of the then board of the Company nor the understanding of the original applicants for redeemable shares, that those shares would be treated as debt.

The directors of QC Holdings were advised by specialist lawyers that, subject to certain technical amendments to Company's Articles of Association being made, the original and present intentions of the Company's board and of the Club's membership could be realised. At an extraordinary general meeting of QC Holdings on 26 September 2019 the shareholders approved the amendments to the Articles of Association so that the redeemable shares could be treated as equity.

The redeemable shares classified as a liability have been converted into equity as at 30 September 2019, giving rise to a profit on conversion of £25,518,853. Adjustments in the consolidated profit and loss account and the consolidated balance sheet show the redeemable shares as equity (2018: debt), reverse those made in last year's accounts as a prior year's adjustment and fair value movements. These are all non-cash items and will not recur.

### Key performance indicators

The group's trading performance during the year improved slightly with turnover and gross profit up by 1.9% and 2.2% respectively over 2018. This trading performance included the profit from the Fever-Tree tournament of £1.28m (2018: £1.24m). However, administrative expenses increased by 4.9% during the year to 9.5m (2018: £9m) which resulted in the operating profit reducing by 22.1% to £802,000 from £1,029,000 in 2018.

The gross profit margin was 88.7% (2018: 88.4%).

The financial statements show a profit of £1,524,350 (2018: £1,684,737) before adjustment to redeemable shares, tax, interest payable and similar charges. This produces a profit margin of 13.1% (2018: 14.8%).

Capital expenditure in 2019 was £1.4m (2018: £1m). Net proceeds from members joining and leaving the Club were £213,000 (2018: £41,000).

The year-end cash balance, excluding amounts set aside for repaying the Debentures, was £4.5m (2018: £4.6m).

# QC Trustees Limited

## Strategic report for the year ended 30 September 2019 (*continued*)

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### Principal risks and uncertainties

#### *Financial risk management*

The Group's operations expose it to a variety of financial risks, including credit, liquidity and interest-rate risks. 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 charges.

#### *Price risk*

The Group is exposed to price risk due to normal pressures of 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 the performance of the June tournament contract and the Club's 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 investments in the hands of specialist asset managers. Asset managers have been provided with guidelines with the aim of providing better returns than cash deposits without undue risk.

#### *Cash flow risk*

In managing its cash flows the Group seeks to obtain a return by holding deposits. The length of deposits is managed carefully to ensure that no short-term cash shortfall arises.

### Approval

This strategic report was approved by order of the Board on 29 January 2020.



R Edwards  
Chairman

# QC Trustees Limited

## Directors' report for the year ended 30 September 2019

The directors present their directors' report and financial statements, in addition to the strategic report on pages 1 and 2, for the Group for the year ended 30 September 2019.

### Principal activity

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

### Dividend

The directors cannot recommend the payment of a dividend (2018: £Nil). There are restrictions under the Articles of Association from paying any dividend.

### Directors

The directors who held office during the year were as follows:

A Beeson  
R Edwards (Chairman)  
R Hopkinson-Woolley  
H A Rudebeck

### Political contributions

The Group made no political donations or incurred any political expenditure during the year (2018: £nil).

### Disclosure of information to 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.

### Other information

An indication of likely future developments in the business and particulars of significant events that have occurred since the end of the financial year have been included in the Strategic report.

### Auditors

KPMG LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

### Approval

This Directors' report was approved by order of the Board on 29 January 2020.



R Edwards  
Chairman

# QC Trustees Limited

## Directors' responsibilities statement for the year ended 30 September 2019

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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), including FRS 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 Group and parent company and of their profit or loss 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;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going-concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

# QC Trustees Limited

## Independent auditor's report

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

#### Opinion

We have audited the financial statements of QC Trustees Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2019 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated cash flow statement, the Company Balance Sheet, the Company Statement of Changes in Equity, and the notes to the financial statements, 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 Group's and of the Parent Company's affairs as at 30 September 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's 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.

# QC Trustees Limited

## Independent auditor's report (*continued*)

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.

### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.



# QC Trustees Limited

## Independent auditor's report (*continued*)

### **Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Clark (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

27th February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# QC Trustees Limited

## Consolidated profit and loss account for the year ended 30 September 2019

	Note	2019 £	2018 £
<b>Turnover</b>	3	11,599,300	11,388,147
Cost of sales		(1,313,089)	(1,318,762)
<b>Gross profit</b>		10,286,211	10,069,385
Administrative expenses		(9,484,614)	(9,040,462)
<b>Operating profit</b>		801,597	1,028,923
Other income	4	489,357	473,108
Interest receivable and similar income	8	233,396	182,706
<b>Profit before adjustment to redeemable shares, tax, interest payable and similar charges</b>		1,524,350	1,684,737
Adjustment to redeemable shares	9	25,518,853	-
Interest payable and similar charges analysed as:			
Redeemable shares -- fair value movement	10	-	(2,564,244)
Debentures - finance charge	10	(333,693)	(216,948)
<b>Profit before taxation</b>		26,709,510	(1,096,455)
Tax on profit	11	(78,047)	(204,269)
<b>Profit for the financial year</b>		26,631,463	(1,300,724)
Profit for the period attributable to:			
Non-controlling interest		665,787	(32,518)
Owners of the parent		25,965,676	(1,268,206)
		26,631,463	(1,300,724)

All the Group's operations are classed as continuing.

There were no recognised gains or losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

The notes on pages 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Consolidated balance sheet at 30 September 2019

<i>Company number 5658119</i>	<i>Note</i>	<b>2019</b> £	<b>2019</b> £	<b>2018</b> £	<b>2018</b> £
<b>Fixed assets</b>					
Negative goodwill	12		(15,653,486)		(15,798,566)
Tangible fixed assets	13		51,847,528		51,786,027
			<u>36,194,042</u>		<u>35,987,461</u>
<b>Current assets</b>					
Stocks	15	344,181		237,494	
Debtors	16	7,193,338		6,048,852	
Cash at bank and in hand		4,500,703		4,580,004	
			<u>12,038,222</u>	<u>10,866,350</u>	
<b>Creditors: amounts falling due within one year</b>	17	(2,839,280)		(2,829,765)	
<b>Net current assets</b>			<u>9,198,942</u>		<u>8,036,585</u>
<b>Total assets less current liabilities</b>			<u>45,392,984</u>		<u>44,024,046</u>
<b>Capital, Reserves, Long-Term Liabilities and Provisions</b>					
Creditors: amounts falling due after more than one year	18	7,995,504		57,118,812	
Provisions for liabilities	21	438,122		447,769	
			<u>8,433,626</u>		<u>57,566,581</u>
Share capital	22	3		3	
Profit and loss account		12,401,654		(13,564,022)	
			<u>12,401,657</u>	<u>(13,564,019)</u>	
Capital and reserves attributable to the equity holders of the Company			12,401,657		21,484
Non-controlling interest	22		687,271		
Subsidiary company redeemable shares	22		23,870,430		-
			<u>45,392,984</u>		<u>44,024,046</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 January 2020.

  
R Edwards  
Chairman

The notes on pages 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Consolidated statement of changes in equity for the year ended 30 September 2019

	Share capital £	Profit and loss account £	Total £	Subsidiary company redeemable shares £	Non- controlling interest £	Total equity £
At 1 October 2017	3	(12,295,816)	(12,295,813)	-	54,002	(12,241,811)
Loss for the year	-	(1,268,206)	(1,268,206)	-	(32,518)	(1,300,724)
<b>At 30 September 2018</b>	<b>3</b>	<b>(13,564,022)</b>	<b>(13,564,019)</b>	<b>-</b>	<b>21,484</b>	<b>(13,542,535)</b>
	Share capital £	Profit and loss account £	Total £	Subsidiary company redeemable shares £	Non- controlling interest £	Total equity £
At 1 October 2018	3	(13,564,022)	(13,564,019)	-	21,484	(13,542,535)
Adjustment to redeemable shares	-	-	-	23,642,429	-	23,642,429
Purchase of redeemable shares	-	-	-	1,278,074	-	1,278,074
Redemption of redeemable shares	-	-	-	(1,050,073)	-	(1,050,073)
Gain for the year	-	25,965,676	25,965,676	-	665,787	26,631,463
<b>At 30 September 2019</b>	<b>3</b>	<b>12,401,654</b>	<b>12,401,657</b>	<b>23,870,430</b>	<b>687,271</b>	<b>36,959,358</b>

At 30 September 2019 the non-controlling interest comprised of redeemable shares held in QC Holdings at £23,870,430 and the minority interest of £687,271 in respect of ordinary shares held by AELTG in QC Holdings.

The notes on pages 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Consolidated cash flow statement for the year ended 30 September 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Gain / (loss) for the year		26,631,463	(1,300,724)
Adjustments for:			
Depreciation, amortisation and impairment	5	1,174,590	1,116,589
Loss on sale of tangible assets		1,033	3,916
Interest receivable and similar income	8	(233,396)	(182,706)
Adjustment to redeemable shares		(25,518,853)	-
Interest payable and similar charges	10	333,693	2,781,192
Taxation	11	78,047	204,269
Decrease / (increase) in trade and other debtors		(510,936)	73,181
Decrease / (increase) in stocks		(106,688)	7,408
Decrease in trade and other creditors		(249,557)	(1,852,518)
Tax paid		(80,494)	(143,877)
<b>Net cash from operating activities</b>		<b>1,518,902</b>	<b>706,730</b>
<b>Cash flows from investing activities</b>			
Interest received	8	226,002	182,706
Acquisition of tangible fixed assets	13	(1,382,206)	(1,037,316)
Current asset investment		(655,000)	(500,000)
<b>Net cash from investing activities</b>		<b>(1,811,204)</b>	<b>(1,354,610)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		1,278,074	1,029,332
Repayment of share redemptions		(1,065,073)	(1,070,201)
Repayment of debentures		-	(75,000)
<b>Net cash from financing activities</b>		<b>213,001</b>	<b>(115,869)</b>
Net decrease in cash and cash equivalents		(79,301)	(763,749)
Cash and cash equivalents at beginning of year		4,580,004	5,343,753
<b>Cash and cash equivalents at end of year</b>		<b>4,500,703</b>	<b>4,580,004</b>

The notes on page 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Company balance sheet at 30 September 2019

<i>Company number 5658119</i>	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investments	14		1,750		1,750
<b>Current assets</b>					
Cash		2		2	
		<u>2</u>		<u>2</u>	
<b>Creditors: amounts falling due within one year</b>	17	(1,749)		(1,749)	
<b>Net current assets</b>			<u>(1,747)</u>		<u>(1,747)</u>
<b>Net assets</b>			<u>3</u>		<u>3</u>
<b>Capital and reserves</b>					
Called up share capital	22		3		3
<b>Shareholders' funds</b>			<u>3</u>		<u>3</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 January 2020.

  
R Edwards  
Chairman

The notes on page 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Company statement of changes in equity for the year ended 30 September 2019

	Share capital £	Total equity £
At 1 October 2017	3	3
	<hr/>	<hr/>
<b>At 30 September 2018</b>	<b>3</b>	<b>3</b>
	<hr/>	<hr/>
	Share capital £	Total equity £
At 1 October 2018	3	3
	<hr/>	<hr/>
<b>At 30 September 2019</b>	<b>3</b>	<b>3</b>
	<hr/>	<hr/>

The notes on page 14 to 30 form part of these financial statements.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019

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### 1 Accounting policies

QC Trustees Limited (the "Company" and, with its subsidiaries, the "Group") is a private company incorporated, domiciled and registered in the UK. The Company's registered number is 5658119 and its registered address is Palliser Road, London W14 9EQ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company's financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1 have not been included.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgments made by the directors, in the application of those accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 2.

#### *Measurement convention*

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: current asset investments and options to acquire redeemable shares classified at fair value through the profit or loss.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 September 2019. A subsidiary is an entity that is controlled by the parent.

The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 (the "Act"), the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.



# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Going concern*

The directors have considered the factors that impact the Group's future development performance, cash flow and financial position along with the Group's current liquidity in forming their opinion on the going-concern basis. Having considered these factors, the directors have a reasonable expectation that the Group 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.

#### *Classification of financial instruments issued by the Group*

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 1 Accounting policies (continued)

#### *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

#### *Other financial instruments*

##### *Financial instruments not considered to be Basic Financial Instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

#### *Interest*

##### *Interest receivable*

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Expenses*

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective-interest method, less any impairment losses.

Interest payable and similar expenses include interest payable and finance expense on shares classified as liabilities.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

### 1 Accounting policies (*continued*)

#### *Taxation*

Taxation on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

*Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.*

Deferred taxation is provided on timing differences that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and, differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets: for example, land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Leasehold land and buildings	-	Life of lease
Leasehold improvements	-	10 – 50 years
Plant and Equipment	-	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

### 1 Accounting policies *(continued)*

#### *Negative goodwill*

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered, which is considered to be 120 years. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

#### *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

#### *Impairment excluding stocks and deferred tax assets*

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

#### *Provisions*

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### *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.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key judgments that management have made in the process of applying the Company's accounting policies that have the most significant impact on the financial statements.

#### *Impairment of fixed assets*

The Company is required to review fixed assets for impairment if events or changes in circumstance indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations or the fair value (market value), which are prepared on the basis of management assumptions and estimates.

The directors are not aware of any events or material changes in value of its subsidiary undertakings and have not identified any potential impairment triggers. Therefore, they do not consider an impairment review necessary.

#### *Taxation*

Tax benefits are not recognised unless it is probable that they will be obtained. Tax provisions are made if it is probable that a liability will arise. The Company reviews each significant tax liability or benefit to assess the appropriate accounting treatment.

### 3 Turnover

An analysis of the Group's turnover by class of business is set out below:

	2019 £	2018 £
Subscriptions	5,611,062	5,486,379
Fever-Tree tournament	2,542,947	2,457,628
Other revenue	3,445,291	3,444,140
	<u>11,599,300</u>	<u>11,388,147</u>

All turnover is derived from the UK.

Subscriptions includes released deferred income of £187,578 (2018: £187,578) that arises from memberships issued by the Club to debenture holders of QC Holdings. 'A' and 'B' Debentures issued by QC Holdings included membership rights over 15 years for 'B' Debenture holders and for lifetime (20 years) for 'A' debentures holders. The income received by the Club for these membership rights has been deferred over the period of membership entitlement.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

### 4 Other income

	2019 £	2018 £
Rental income	444,982	428,519
Administrative fees charged on redeemable shares	44,375	44,589
	<u>489,357</u>	<u>473,108</u>

### 5 Expenses and auditor's remuneration

Included in profit and loss account are the following:

	2019 £	2018 £
Depreciation	1,319,670	1,261,445
Release of negative goodwill	(145,080)	(145,080)

#### Auditor's remuneration:

	2019 £	2018 £
Audit of these financial statements	2,090	2,190
Audit of financial statements of subsidiaries of the Company	16,910	17,950
	<u>19,000</u>	<u>20,140</u>

# QC Trustees Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (continued)

## 6 Employees

	2019 £	2018 £
Staff costs consist of:		
Wages and salaries	3,824,874	3,591,654
Social security costs	380,862	351,635
Other pension costs	243,206	205,402
	<u>4,448,942</u>	<u>4,148,691</u>

The Company is a London Living Wage employer.

The average number of employees (excluding directors) during the year was as follows:

	Number	Number
Administration	14	14
Club	46	43
Catering	33	32
Ground and maintenance	15	13
	<u>108</u>	<u>102</u>

## 7 Directors' remuneration

There was no directors' remuneration, and none was borne by other group companies (2018: £Nil).

## 8 Interest receivable and similar income

	2019 £	2018 £
Bank interest received	54,806	34,784
Investment and similar income	196,317	148,690
Investment – fair value losses	(25,121)	(768)
Other income	7,394	-
	<u>233,396</u>	<u>182,706</u>

## 9 Adjustment to redeemable shares

	2019 £	2018 £
Adjustment to redeemable shares	<u>25,518,853</u>	<u>-</u>

The adjustment to redeemable shares is the necessary one-off accounting adjustment required following the September 2019 extraordinary general meeting of QC Holdings where the shareholders approved certain amendments to the Articles of Association. In 2018, the Group's report and financial statements showed the redeemable shares were, for accounting purposes, classified as debt (see note 18).

# QC Trustees Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 10 Interest payable and similar charges

	2019 £	2018 £
Redeemable shares – fair value movement	-	2,564,244
Debentures – finance and options charge	333,693	216,948
	<hr/>	<hr/>
Total interest payable and similar charges	333,693	2,781,192
	<hr/>	<hr/>

## 11 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2019 £	2018 £
<i>UK corporation tax</i>		
Current tax on income for the period	88,405	110,026
Adjustment in respect of prior periods	(31,812)	(23,742)
	<hr/>	<hr/>
Total current tax	56,593	86,284
<i>Deferred tax</i>		
Origination and reversal of timing differences	21,454	117,985
	<hr/>	<hr/>
Total taxation	78,047	204,269
	<hr/>	<hr/>



# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 11 Taxation on profit on ordinary activities (continued)

#### Reconciliation of effective tax rate

	2019 £	2018 £
Profit/(Loss) before taxation	26,709,510	(1,096,455)
Tax using the UK corporation tax rate of 19% (2018: 19%)	5,074,807	(208,327)
Effects of:		
Release of negative goodwill or amortisation	(27,565)	(27,565)
Expenses / (income) (deductible)/not deductible for tax purposes	(4,697,595)	606,068
Effect of non-taxable income	(10,626)	(7,462)
Effect of revaluation of investment	3,701	146
Depreciation in excess of /(less than) capital allowances	(63,979)	(78,360)
Other tax adjustments	3,218	(3,533)
Profits from members' activities not taxable	(245,161)	(262,572)
Capital allowances on assets	51,161	89,221
Other adjustments	(107)	(1,437)
Effect of timing differences	551	3,847
Deferred tax	21,454	117,985
Adjustment in relation to prior years	(31,812)	(23,742)
Total tax expense included in profit or loss	78,047	204,269

The main item within the expenses not deductible for tax purposes is the adjustment to redeemable shares at £25,518,853 (2018: fair value movement in redeemable shares at £2,564,244).

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

12 Negative goodwill	£
Group	
<i>Cost</i>	
At 1 October 2018	(17,408,945)
	<hr/>
At 30 September 2019	(17,408,945)
	<hr/>
<i>Amortisation</i>	
At 1 October 2018	1,610,379
Amortisation for the year	145,080
	<hr/>
At 30 September 2019	1,755,459
	<hr/>
<i>Net book value</i>	
At 30 September 2019	(15,653,486)
	<hr/>
At 30 September 2018	(15,798,566)
	<hr/>

In May 2007, a 120-year lease agreement for the Club's premises, including the net assets of the Club, were acquired at a discount. The discount on purchase of the Club was £17,408,945. This is described as negative goodwill and is amortised over the 120-year lease period.

13 Tangible fixed assets				
Group	Leasehold land and buildings £	Leasehold improvements £	Plant and equipment £	Total £
<i>Cost</i>				
At 1 October 2018	49,060,888	6,278,221	6,255,498	61,594,607
Acquisitions	-	-	1,382,206	1,382,206
Disposals	-	(15,930)	(124,896)	(140,826)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	49,060,888	6,262,291	7,512,808	62,835,987
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation and impairment</i>				
At 1 October 2018	4,246,683	1,242,404	4,319,493	9,808,580
Depreciation charge for the year	408,640	169,533	741,497	1,319,670
Disposals	-	(10,680)	(129,111)	(139,791)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	4,655,323	1,401,257	4,931,879	10,988,459
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 September 2019	44,405,565	4,861,034	2,580,929	51,847,528
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	44,814,205	5,035,817	1,936,005	51,786,027
	<hr/>	<hr/>	<hr/>	<hr/>

The directors are not aware of any material change in the 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.

# QC Trustees Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 14 Fixed asset investments

Shares in  
group  
undertakings  
£

*Cost and net book value*

At 1 October 2018 and 30 September 2019

1,750

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership 2019	Ownership 2018
QC Holdings Limited	UK	Ordinary	97.5%	97.5%
The Queen's Club Limited	UK	Ordinary	97.5%	97.5%
QC Ground Limited	UK	Ordinary	97.5%	97.5%

The Queen's Club Limited and QC Ground Limited are wholly owned subsidiaries and sub-subsidiaries respectively of QC Holdings Limited.

## 15 Stocks

Group	2019 £	2018 £
Raw materials and consumables	65,467	44,388
Finished goods and goods for resale	278,714	193,106
	<u>344,181</u>	<u>237,494</u>

Raw materials, consumables and changes in finished goods recognised as cost of sales in the year amounted to £ 1,313,089 (2018: £1,318,762). The write-down of stocks to net realisable value amounted to £10,058 (2018: £10,138).

## 16 Debtors

Amounts falling due within one year	Group 2019 £	Group 2018 £
Trade debtors	346,048	331,800
Other debtors (including current asset investments)	6,616,637	5,429,316
Prepayments and accrued income	223,230	258,860
Deferred tax asset (note 19)	7,423	28,876
	<u>7,193,338</u>	<u>6,048,852</u>

In 2019 'Other debtors' include the Richard Tur Fund (note 21) and its short-term cash and investments of £438,122. In 2018 these were included within the cash at bank and in hand.

The Company had no debtor balances due after more than one year (2018: £Nil).

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 16 Debtors (continued)

Current asset investments are held at fair value, the movement in the year being:

	2019 £	2018 £
At 1 October	5,406,825	4,786,101
Capital invested	605,000	500,000
Management fees	(25,731)	(27,199)
Investment and other income reinvested	196,317	148,691
Change in market value	(25,121)	(768)
	<hr/>	<hr/>
At 30 September	6,157,290	5,406,825
	<hr/>	<hr/>

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

	Group 2019 £	Group 2018 £	Company 2019 £	company 2018 £
Trade creditors	305,365	422,307	-	-
Amounts owed to group undertakings	-	-	1,749	1,749
Taxation and social security	249,690	218,256	-	-
Accruals and deferred income	814,158	689,892	-	-
Other creditors	1,470,067	1,499,310	-	-
Bank and other borrowings	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,839,280	2,829,765	1,749	1,749
	<hr/>	<hr/>	<hr/>	<hr/>

Included in 'Other creditors' are amounts totalling £97,625 (2018: £151,875) due to certain members aged under 28 years old, who have made a 50 per cent down-payment to have the right to acquire a redeemable share. If the member fails to make a payment for the remaining 50 per cent when they turn 28 years old, the initial down-payment will be repaid by QC Holdings without interest.

Also included in 'Other creditors' are amounts totalling £1,050,000 (2018: £1,070,201) payable to members who had expressed a wish to redeem their shares as at 30 September 2019.

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

	Group 2019 £	Group 2018 £
Other creditors	1,928,991	2,209,712
Debenture loans (note 20)	5,751,513	5,417,821
Redeemable shares classified as a liability	-	49,176,279
Share options - liability	315,000	315,000
	<hr/>	<hr/>
	7,995,504	57,118,812
	<hr/>	<hr/>

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 18 Creditors: amounts falling due after more than one year (continued)

Other creditors' are amounts due to certain members aged under 28 years old, who have made a 50 per cent down-payment to have the right to acquire a redeemable share. If the member fails to make a payment for the remaining 50 per cent when they turn 28 years old, the initial down-payment will be repaid by QC Holdings without interest. At the year-end date, an amount of £1,017,300 (2018: £1,062,944) may be due after more than five years to these members who are under 22 years old.

The Company had no balance in 'Creditors: amounts falling due after more than one year' (2018: £Nil).

The redeemable shares classified as a liability have been converted into equity as at 30 September 2019, giving rise to a profit on conversion of £25,518,853.

### 19 Deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Decelerated capital allowances	-	15,143	(1,198)	-	(1,198)	15,143
Other timing differences	8,621	13,734	-	-	8,621	13,734
	<u>8,621</u>	<u>28,887</u>	<u>(1,198)</u>	<u>-</u>	<u>7,423</u>	<u>28,877</u>
Tax assets	8,621	28,887	(1,198)	-	7,423	28,877

### 20 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2019 £	Group 2018 £
<b>Creditors falling due after more than one year:</b>		
11 'A' debentures due in 2022	2,308,953	2,178,258
33 'B' debentures due in 2022	3,463,429	3,267,386
	<u>5,772,382</u>	<u>5,445,644</u>
Total	5,772,382	5,445,644
Less finance costs	(20,869)	(27,823)
	<u>5,751,513</u>	<u>5,417,821</u>
Total	5,751,513	5,417,821

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

### 20 Interest-bearing loans and borrowings (*continued*)

The above debentures are included at amortised cost, and interest is being charged at 6 per cent per annum. 'A' debentures are in denominations of £250,000 and 'B' debentures are in denominations of £125,000. 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.

The Company had no interest-bearing loans and borrowings (2018: £Nil).

### 21 Provisions for liabilities

	The Richard Tur Foundation £
At 1 October 2018	447,769
Interest received	467
Grants paid	(22,813)
Gains on investments	12,700
	<hr/>
At 30 September 2019	438,122
	<hr/>

A court order obtained on 14 December 2006 required the Company to pay £470,000 into a separate fund (subsequently called "The Richard Tur Fund") for two reasons:

- 1) To compensate former shareholders of The Queens Club Limited for loss of certain land development rights, and
- 2) Any surplus remaining to be utilised for the Company's tennis outreach programme or any such other sporting outreach programme.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

### 22 Share capital and reserves

Company	2019 £	2018 £
<i>Authorised</i>		
100 (2018: 100) ordinary shares of £1 each	100	100
1 (2018: 1) special share of £1	1	1
	<hr/>	<hr/>
	101	101
	<hr/>	<hr/>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<i>Allotted, called up and fully paid</i>		
2 (2018: 2) ordinary shares of £1 each	2	2
1 (2018: 1) special share of £1	1	1
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

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

Company	Ordinary shares £	Special shares £	Total £
As at 1 October 2018	2	1	3
Issues of shares	-	-	-
Shares redeemed	-	-	-
	<hr/>	<hr/>	<hr/>
As at 30 September 2019	2	1	3
	<hr/>	<hr/>	<hr/>

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

#### *Non-controlling interests*

Non-controlling interests comprise the minority interest in respect of ordinary shares held by AELTG and QC Holdings, together with the redeemable shares held in QC Holdings.

# QC Trustees Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 22 Share capital and reserves (continued)

#### *Redeemable Shares classified as liabilities*

The redeemable shares issued by QC Holdings rank pari passu with each ordinary share of QC Holdings except for redemption rights, and each share carries a voting right. Eighty-seven redeemable shares of £1 each were issued by QC Holdings during the year ended 30 September 2019, raising £1,278,000. Seventy-three members have expressed a wish to redeem their share as of 30 September 2019 for £1,050,000. At 30 September 2019 3,312 (2018: 3,299) redeemable shares of £1 each had been issued by QC Holdings. At 30 September 2019 share premium on these shares was revalued at £23,870,430.

### 23 Pension schemes

Staff have the option to join the defined-contribution private pension scheme. All eligible staff are auto-enrolled on the Group's pension scheme. The pension cost charge represents contributions payable by the Group to individual pension schemes and amounted to £243,206 (2018: £205,402). Included within the figure was a pension accrual of £18,351 (2018: £Nil).

### 24 Related parties

As at 30 September 2019 the Company owed £1,749 (2018: £1,749) to QC Holdings, a subsidiary Company. There were no transactions in the year (2018: Nil).

*The subsidiary undertaking listed below is exempt from the requirements of the Act relating to the audit of its individual accounts by virtue of section 479A of the Act as this Company has guaranteed the subsidiary company under section 479C of the Act.*

Company	Country of incorporation	Registered number	Class of shares held	Ownership 2019	2018
QC Ground Limited	UK	5724660	Ordinary	97.5%	97.5%

### 25 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 Club. The Company's registered address is Palliser Road, London W14 9EQ.

### 26 Subsequent events

Subsequent to the balance sheet date, there are no material events to report.