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PARENT AA'S FOR
QC GROUND LIMITED
5724660
note page 22

QC Trustees Limited

Parent company accounts for QC Ground Limited - 5724660

Annual report and financial statements

Registered number 5658119

30 September 2017

Contents

Strategic Report

The directors present their strategic report of the QC Trustees Limited and its subsidiaries ('the Company' and together 'the Group') for the year ended 30 September 2017.

Business review

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.

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.

Key performance indicators

Revenue is 2.5% higher than last year.

Gross profit margin is 88.9% (2016: 89.7%).

The pre-tax profit margin is 14.7%, this is 0.4% higher than last year. However this year the depreciation has increased by 6% mainly due to the North Stand project.

The return on total capital and revenue reserves stands at 4.6% (2016: 4.7%).

Principal risks and uncertainties

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 check and or references as necessary.

Liquidity risk

The group actively monitors its subscriptions 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.

Cash flow risk

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

By order of the board

R Edwards
Chairman
31 January 2018

Directors' report

The directors present their Directors' report and Financial statements, in addition to the Strategic report on page 1, for the Group for the year ended 30 September 2017.

Principal activity

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.

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil). There are restrictions under Articles of Association from making any dividend distribution to ordinary shareholders.

Directors

The directors who held office during the year were as follows:
A Beeson (appointed on 30 March 2017)
A Bernard (resigned on 30 March 2017)
R Edwards
R Hopkinson-Woolley
H A Rudebeck

Political contributions

The Group made no political donations or incurred any political expenditure during the year (2016: £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 which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

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 Edwards
Chairman
31 January 2018

Palliser Road
West Kensington
London W14 9EQ

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), 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 judgements 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; and
- 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.

Independent auditor's report to the members of the QC Trustees Limited

Opinion

We have audited the financial statements of QC Trustees Limited ("the company") for the year ended 30 September 2017 which comprise the Consolidated Profit and loss Account and other comprehensive income, Consolidated Balance sheet, Company Balance sheet, Consolidated Cash Flow statement and related notes, including the accounting policies in note 1.

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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Independent auditor's report to the members of the QC Trustees Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Turner

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

7 February 2018

Consolidated Profit and Loss Account

For the year ended 30 September 2017

	Note	**2017** £	2016 £
Turnover	2	10,974,807	10,706,247
Cost of sales		(1,220,470)	(1,098,419)
Gross profit		9,754,337	9,607,828
Administrative expenses		(8,776,650)	(8,619,064)
Operating profit		977,687	988,764
Other income	3	450,850	428,972
Interest receivable and similar income	7	188,257	123,007
Interest payable and similar expenses	8	(6,954)	(6,954)
Profit before taxation		1,609,840	1,533,789
Tax on profit	9	(18,739)	(47,334)
Profit for the financial year		1,591,101	1,486,455

All of 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 10 to 22 form an integral part of these financial statements.

Consolidated Balance Sheet
At 30 September 2017

	Note	2017	2017	2016	2016
		£	£	£	£
Fixed assets					
Negative goodwill	10		(15,943,646)		(16,088,726)
Tangible fixed assets	11		52,014,292		51,357,609
			36,070,646		35,268,883
Current assets					
Stocks	13	244,902		222,464	
Debtors	14	5,740,020		3,975,058	
Cash at bank and in hand		5,343,753		6,197,402	
		11,328,675		10,394,924	
Creditors: amounts falling due within one year	15	(4,342,285)		(4,488,072)	
Net current assets			6,986,390		5,906,852
Total assets less current liabilities			43,057,036		41,175,735
Creditors: amounts falling due after more than one year	16	(7,967,698)		(7,975,768)	
Provisions for liabilities	18	(458,352)		(459,459)	
			(8,425,050)		(8,435,227)
Net assets			34,630,986		32,740,508
Capital and reserves					
Called up share capital	19, 21		3		3
Profit and loss account	21		9,898,639		8,307,538
Member and AELTG shares	20, 21		24,732,344		24,432,967
Shareholders' funds			34,630,986		32,740,508

These financial statements were approved by the board of directors on 31 January 2018 and were signed on its behalf by:

R Edwards
Chairman

Company registered number: 5658119

Company Balance Sheet
At 30 September 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	12		1,750		1,750
			1,750		1,750
Current assets					
Cash		2		2	
		2		2	
Creditors: amounts falling due within one year	15	(1,749)		(1,749)	
Net current liabilities			(1,747)		(1,747)
Total assets less current liabilities			3		3
Net assets			3		3
Capital and reserves					
Called up share capital	19		3		3
Shareholders' funds			3		3

These financial statements were approved by the board of directors on 31 January 2018 and were signed on its behalf by:

R Edwards
Chairman

Company registered number: 5658119

Consolidated Cash Flow Statement

For year ended 30 September 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
Profit for the year	20	1,591,101	1,486,455
Adjustments for:			
Depreciation, amortisation and impairment	4	1,133,701	1,049,796
Interest receivable and similar income	7	(188,257)	(123,007)
Interest payable and similar charges	8	6,954	6,954
Taxation	9	18,739	47,334
(Increase)/decrease in trade and other debtors		(368,100)	(255,259)
(Increase)/decrease in stocks		(22,438)	(42,964)
(Decrease)/increase in trade and other creditors		517,688	(509,033)
Tax paid	9	(171,904)	(77,687)
Net cash from operating activities		2,517,484	1,582,589
Cash flows from investing activities			
Interest received	7	188,257	123,007
Acquisition of tangible fixed assets	11	(1,935,464)	(3,258,168)
Short term investment		(1,250,000)	(1,250,000)
Net cash from investing activities		(2,997,207)	(4,385,161)
Cash flows from financing activities			
Proceeds from the issue of share capital		1,276,074	842,831
Repayment of debentures		(1,650,000)	-
Net cash from financing activities		(373,926)	842,831
Net increase/(decrease) in cash and cash equivalents		(853,649)	(1,959,741)
Cash and cash equivalents at 1 October 2016		6,197,402	8,157,142
Cash and cash equivalents at 30 September 2017		5,343,753	6,197,401

Notes
(forming part of the financial statements)

1 Accounting policies

QC Trustees Limited (the "Group") is a company limited by shares and incorporated and domiciled in the UK.

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"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. 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 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.
- The 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.

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.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 September 2016. 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 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.

1.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on the page 1.

As noted in the Strategic report 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. 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.

1.4 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:

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Classification of financial instruments issued by the Group *(continued)*

(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.

1.5 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Tangible fixed assets (continued)

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

1.7 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.

1.8 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. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.9 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.

1.10 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.

Notes *(continued)*

2 Turnover

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

	2017	2016
	£	£
Subscriptions	5,135,383	5,093,676
June tournament	2,661,935	2,786,522
Other revenue	3,177,489	2,826,049
	10,974,807	10,706,247

All turnover is derived from the UK.

3 Other income

	2017	2016
	£	£
Rental income	385,326	386,759
Other income	65,524	42,213
	638,974	428,972

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017	2016
	£	£
Depreciation	1,262,130	1,194,876
Release of negative goodwill	(145,080)	(145,080)
Assets written off	16,651	-
	1,133,701	1,049,796

Auditor's remuneration:

	2017	2016
	£	£
Audit of these financial statements	2,130	2,060
Audit of financial statements of subsidiaries of the Company	17,420	17,965
	19,550	20,025

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company (excluding directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Administration	13	13
Club	42	42
Catering	30	27
Ground and maintenance	12	13
	97	95

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	3,407,210	3,235,151
Social security costs	327,864	310,342
Other pension costs	175,739	168,513
	3,910,813	3,714,006

6 Directors' remuneration

There was no directors' remuneration and none was borne by other group companies £nil (2015: £nil).

7 Other interest receivable and similar income

	2017	2016
	£	£
Bank interest	188,257	123,007

8 Interest payable and similar charges

	2017	2016
	£	£
Finance costs on debentures	6,954	6,954

Notes *(continued)*

9 Taxation

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

	2017		2016	
	£	£	£	£
Current tax				
Current tax on income for the period		171,904		43,129
Total current tax		171,904		43,129
Deferred tax	153,165		4,205	
		(153,165)		4,205
Total tax		18,739		47,334

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit for the year	1,609,840	1,533,789
Tax using the UK corporation tax rate of 19% (2016: 20%)	313,919	306,758
Effects of		
Release of negative goodwill or amortisation	(28,291)	(29,016)
Expenses not deductible for tax purposes	89,977	-
Effect of Non-Taxable Income	(17,115)	(29.467)
Effect of revaluation of investment	(1,671)	-
Capital allowances for year in surplus of depreciation	(68,969)	(58,946)
Other adjustments	(1,636)	-
Adjustments in relation to prior years	2,460	-
Profits from members' activities	(190,676)	(286,009)
Capital allowances on members assets	73,906	139,809
Total tax expense included in profit or loss	171,904	43,129

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was substantively enacted on 6 September 2016 to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

10 Negative goodwill

	£
Cost	
Balance at 1 October 2016	(17,408,945)
Balance at 30 September 2017	(17,408,945)
Amortisation and impairment	
Balance at 1 October 2016	1,320,219
Amortisation for the year	145,080
Balance at 30 September 2017	1,465,299
Net book value	
At 1 October 2016	(16,088,726)
At 30 September 2017	(15,943,646)

11 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Plant and Equipment £	Total £
Cost				
Balance at 1 October 2016	49,360,888	4,971,371	5,125,790	59,458,049
Acquisitions	-	1,207,693	727,771	1,935,464
Disposals	(300,000)	-	(328,906)	(628,906)
Balance at 30 September 2017	49,060,888	6,179,064	5,524,655	60,764,607
Depreciation and impairment				
Balance at 1 October 2016	3,729,403	865,080	3,505,957	8,100,440
Depreciation charge for the year	408,640	205,458	648,032	1,262,130
Disposals	(300,000)	-	(312,255)	(612,255)
Balance at 30 September 2017	3,838,043	1,070,538	3,841,732	8,750,315
Net book value				
At 1 October 2016	45,631,485	4,106,291	1,619,833	51,357,609
At 30 September 2017	45,222,845	5,108,526	1,682,921	52,014,292

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.

Notes *(continued)*

12 Fixed asset investments

	Shares in group undertakings £
Cost and Net book value	
At 1 October 2016 and 30 September 2017	1,750

The Company has the following investments in subsidiaries:

	Profit or loss for the year	Country of incorporation	Class of shares held	Ownership 2017	Ownership 2016
	£			%	%
QC Holdings Limited	175,614	Palliser Road, London W14 9EQ	Ordinary	97.5%	97.5%
The Queen's Club Limited	1,695,327	Palliser Road, London W14 9EQ	Ordinary	100%	100%
QC Ground Limited	(408,640)	Palliser Road, London W14 9EQ	Ordinary	100%	100%

13 Stocks

	2017	2016
	£	£
Raw materials and consumables	42,832	42,081
Finished goods and goods for resale	202,070	180,383
	244,902	222,464

Raw materials, consumables and changes in finished goods recognised as cost of sales in the year amounted to £nil (2016:£nil). The write-down of stocks to net realisable value amounted to £10,158 (2016: £10,251).

14 Debtors

	Group 2017	Group 2016
	£	£
Trade debtors	272,046	323,858
Other debtors	4,806,256	3,434,807
Prepayments and accrued income	514,856	216,393
Deferred tax asset (see note 17)	146,861	-
	5,740,020	3,975,058

The Company had £nil debtors balance (2016: £nil).

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade creditors	583,408	258,625	-	-
Amounts owed to group undertakings	-	-	1,749	1,749
Taxation and social security	324,238	156,435	-	-
Deferred tax liability	-	6,304	-	-
Accruals and deferred income	1,992,403	900,194	-	-
Other creditors	1,367,236	1,441,514	-	-
Bank and other borrowings	75,000	1,725,000	-	-
	4,342,285	4,488,072	1,749	1,749

Included in other creditors are amounts totalling £111,750 (2016: £130,250) 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 a 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 £976,697 (2016: £1,051,875) payable to Members who had expressed a wish to redeem their shares as at 30 September 2017.

16 Creditors: amounts falling due after more than one year

	Group	Group
	2017	2016
	£	£
Other creditors	1,127,475	1,142,499
Bank and other borrowings	6,840,223	6,833,269
	7,967,698	7,975,768

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 a 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 £880,750 (2016: £879,875) may be due to the Members under 22 years old after more than five years.

The Company had a £nil balance in creditors: amounts falling due after more than one year (2016: £nil).

17 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	**2017**	2016	**2017**	2016
	£	£	**£**	£	**£**	£
Decelerated capital allowances	131,935	-	-	(13,396)	131,935	(13,396)
Other timing differences	14,926	7,092	-	-	14,926	7,092
Tax (assets) / liabilities	146,861	7,092	-	(13,396)	146,861	(6,304)

Notes *(continued)*

17 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 2017 £	Group 2016 £
Creditors falling due within less than one year		
23 Class C debentures due in 2017	75,000	1,725,000

	Group 2017 £	Group 2016 £
Creditors falling due after more than one year		
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
Total	6,875,000	6,875,000
Less finance costs	(34,777)	(41,731)
Total	6,840,223	6,833,269

All debentures stated above do not carry any interest, are unsecured and rank. 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.

The Company has £nil interest-bearing loans and borrowings (*2016:* £nil).

18 *Provisions*

	The Richard Tur Foundation £
Balance at 1 October 2016	459,459
Interest received	1,909
Grants paid	(21,584)
Gains on investments	18,568
Balance at 30 September 2017	458,352

Notes *(continued)*

18 Provisions *(continued)*

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

1) To compensate former shareholders of The Queen's 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.

19 Capital and reserves

Share capital - Company

	2017	2016
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
1 special share of £1 each	1	1
	101	101

	2017	2016
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
1 special share of £1 each	1	1
	3	3

In 22 May 2007, The All England Lawn Tennis Ground plc (AELTG) acquired 45 ordinary shares in QC Holding 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 dividends. The special shares give 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.

Member and AELTG shares
Group

	Ordinary shares	**Redeemable shares**	**Special shares**	**Total**
	£	**£**	**£**	**£**
As at 1 October 2016	360,000	24,072,964	3	24,432,967
Issues of shares	-	1,276,074	-	1,276,074
Shares redeemed, net of costs	-	(976,697)	-	(976,697)
As at 30 September 2017	360,000	24,372,341	3	24,732,344

Notes *(continued)*

19 Capital and reserves *(continued)*

Company

	Ordinary shares £	Special shares £	Total £
As at 1 October 2016	2	1	3
Issues of shares	-	-	-
Shares redeemed, net of costs	-	-	-
As at 30 September 2017	2	1	3

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. 95 redeemable shares of £1 each were issued by QC Holdings Limited during the year ended 30 September 2017 raising £1,276,979. As at 30 September 2017, 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 year's redemption will be paid out of this reserve. 72 members had expressed a wish to redeem their share as at 30 September 2017. The redemption value and the timing of future redemptions shall be determined by the directors from time to time.

20 Reconciliation of shareholders' funds

Group

	Share capital £	Member & AELTG shares £	Profit and loss account £	Shareholders' funds £
As at 1 October 2016	3	24,432,967	8,307,538	32,740,508
Profit for the year	-	-	1,591,101	1,591,101
Issue of shares	-	1,276,074	-	1,276,074
Shares redeemed (net of costs)	-	(976,697)	-	(976,697)
As at 30 September 2017	3	24,732,344	9,898,639	34,630,986

Company

	Share capital £	Shareholders' funds £
As at 1 October 2016	3	3
As at 30 September 2017	3	3

Notes *(continued)*

22 Pension schemes

Staff have the option to join 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 £175,739 (2016: £168,513). There were no pension accruals at year end.

23 Related parties

The Company owed £1,749 (2016: £1,749) to QCH Limited, a subsidiary Company. There were no transactions in the year (2016: £nil).

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this Company has guaranteed the subsidiary company under Section 479C of the Act.

	Country of Incorporation	Registered number	Class of shares held	Ownership	
Company				**2017**	2016
QC Ground Limited	Palliser Road, London W14 9EQ	5724660	Ordinary	**100%**	100%

24 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, the registered address is: Palliser Road, London W14 9EQ.

25 Subsequent events

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