

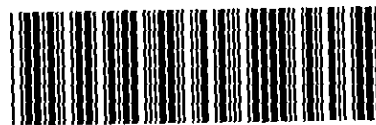
QC Ground Limited

Annual report and financial statements

Registered number 5724660

30 September 2018

THURSDAY



A83M97MH

A22

18/04/2019

#172

COMPANIES HOUSE

Contents

Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Profit and Loss Account	4
Balance Sheet	5
Notes	6

Strategic report

Business review

The Company holds the leases of The Queen's Club premises and ancillary properties.

Activities

The principal activity of the Company is to hold the leases of The Queen's Club premises and ancillary properties. From 31 March 2013, QC Ground Limited waived the right to receive any rent due from The Queen's Club Limited.

Results for the year

The loss for the year after taxation was £408,641 (2017: loss of £408,640).

Key performance indicators

The Company's equity gearing is 588.8% (2017: 595.1%).

Principal risks and uncertainties

Financial Risk management

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

Price Risk

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

By order of the board



P Mallinson
Chairman
12 March 2019

Directors' report

The directors present their directors' report and financial statements for the Company for the year ended 30 September 2018.

Principal activity

The Company holds the leases of The Queen's Club premises and ancillary properties.

Proposed dividend

The directors do not recommend the payment of a dividend (2017: £nil) because there are restrictions under the articles of association from paying any dividend.

Directors

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

P Begg
J Cane
T Cockroft (resigned on 21 March 2018)
A E Jansen
A Lowenthal (appointed on 21 March 2018)
P Mallinson
S Mansfield (resigned on 21 March 2018)
N Mills (appointed on 21 March 2018)
C O'Donnell
K Phillipps
L Pierpont Engstrom
D J B Taylor
A Watson
R Wigley

Political contributions

The Company made no political donations, nor did it incur any political expenditure during the year.

By order of the board



P Mallinson
Chairman
12 March 2019

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 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 company and of the profit or loss of the company for that period. In preparing these 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 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

Profit and Loss Account
For the year ended 30 September

	<i>Note</i>	2018 £	2017 £
Administrative expenses	2	(408,641)	(408,640)
Operating loss		(408,641)	(408,640)
Loss before taxation		(408,641)	(408,640)
Tax on loss	4	-	-
Loss for the financial year		(408,641)	(408,640)

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 6 to 10 form an integral part of these financial statements.

Balance Sheet

At 30 September

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	5	44,814,204	45,222,844
Current assets			
Debtors	6	1	2
Creditors: amounts falling due within one year	7	(6,506,274)	(6,506,274)
Net current liabilities		(6,506,273)	(6,506,272)
Total assets less current liabilities		38,307,931	38,716,572
Creditors: amounts falling due after more than one year		-	-
Net assets		38,307,931	38,716,572
Capital and reserves			
Called up share capital	8, 9	51	51
Share premium account	9	41,999,951	41,999,951
Profit and loss account		(3,692,071)	(3,283,430)
Shareholders' funds		38,307,931	38,716,572

The notes on pages 6 to 10 form an integral part of these financial statements.

Company registered number: 5724660

For the year ended 30 September 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts were approved and authorised for issue by the Board of Directors on 12 March 2019 and were signed on its behalf by



P. Mallinson

Chairman

Company registered number: 5724660

Notes

(forming part of the financial statements)

1 Accounting policies

QC Ground Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 5724660 and the registered address is Palliser Road, West Kensington, London W14 9EQ.

These 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 Company’s ultimate parent undertaking, QC Trustees Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of QC Trustees Limited are available to the public and may be obtained from the Company Secretary, Palliser Road, West Kensington, London, W14 9EQ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

1.1 Going concern

The Company has considerable financial resources together with the group’s 10-year agreement with the LTA for the June tennis tournament. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

1.2 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 Company 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. Land is not depreciated. Depreciation on leasehold land and buildings is based on its term of the lease which is 120 years, and is straight line.

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.

Notes (continued)

1.3 Expenses

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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.

1.4 Taxation

Tax 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.

Notes (continued)

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2018 £	2017 £
Depreciation	408,640	408,640

Auditor's remuneration:

	2018 £	2017 £
Audit of these financial statements	1,650	1,600

3 Staff numbers and costs

No staff were employed by the Company during the year.

There was no directors' remuneration and none was borne by other group companies (2017: £nil).

4 Taxation

Total tax expense recognised in the profit and loss account

	2018 £	2017 £
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-

Reconciliation of effective tax rate

	2018 £	2017 £
Loss for the year	(408,641)	(408,640)
Loss excluding taxation	(408,641)	(408,640)
Tax using the UK corporation tax rate of 19% (2017: 19.5%)	(77,642)	(79,685)
Effect of depreciation	77,642	79,685
Total tax expense included in profit or loss	-	-

Reduction in the UK corporation tax rate from 19% to 17% (to be effective from 1 April 2020) has been enacted at the reporting date. This will reduce the company's future current tax charge accordingly.

Notes (continued)

5 Tangible fixed assets

	Land and buildings £
Cost	
Balance at 1 October 2017	49,060,888
Disposals	-
	<u>49,060,888</u>
Balance at 30 September 2018	<u>49,060,888</u>
Depreciation and impairment	
Balance at 1 October 2017	3,838,044
Depreciation charge for the year	408,640
Disposals	-
	<u>4,246,684</u>
Balance at 30 September 2018	<u>4,246,684</u>
Net book value	
At 1 October 2017	<u>45,222,844</u>
At 30 September 2018	<u>44,814,204</u>

QC Ground Limited holds the property and leases it to The Queen's Club Limited. During 2013, QC Ground Limited waived the rent due from Queens Club Limited in relation to these premises.

The directors have assessed whether the property is an investment property under FRS 102. They have concluded that the property is not generic in nature, as such the property is an integral part of the group's operations and it could therefore not be made available for rental outside the Group. In such circumstances, it is more appropriate to present property as tangible fixed assets in these accounts.

6 Debtors

	2018 £	2017 £
Other debtors	<u>1</u>	<u>2</u>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>6,506,274</u>	<u>6,506,274</u>
	<u>6,506,274</u>	<u>6,506,274</u>

Notes (continued)

8 Capital and reserves

Share capital

	2018 £	2017 £
Authorised		
999 ordinary shares of £1 each	999	999
1 special share of £1 each	1	1
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

	2018 £	2017 £
Allotted, called up and fully paid		
50 ordinary shares of £1 each	50	50
1 special share of £1 each	1	1
	<hr/>	<hr/>
	51	51
	<hr/>	<hr/>

Dividends

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

9 Reconciliation of movement in shareholders' funds

	Share capital £	Share premium £	Profit and loss account £	Shareholders' funds £
As at 1 October 2017	51	41,999,951	(3,283,430)	38,716,572
Profit for the year	-		(408,641)	(408,641)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 September 2018	51	41,999,951	(3,692,071)	38,307,931
	<hr/>	<hr/>	<hr/>	<hr/>

10 Related parties

There were no related party transactions between the Company and its ultimate parent company, QC Trustees Limited (2017: £nil) and there were no balances owed or owing at the balance sheet date (2017: £nil).

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of QC Trustees Limited. The ultimate controlling party is the immediate parent Queen's Club Limited, the registered office is: Palliser Road, London W14 9EQ.

12 Subsequent events

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