

QC Ground Limited

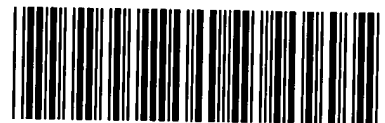
Report and Financial Statements

Year Ended

30 September 2020

Company Number 5724660

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QC Ground Limited

Report and financial statements for the year ended 30 September 2020

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Directors

B Anscomb (appointed 12 June 2020)
P Begg (resigned 26 March 2020)
J Bruce
C Ginman-Horrell
A Jansen
A Lowenthal (Chairman)
J Major
N Mills
C O'Donnell (re-appointed 12 June 2020)
L Pierpont Engstrom (resigned 26 March 2020)
S Raphael (appointed 12 June 2020)
D Taylor (re-appointed 12 June 2020)
R Taylor (appointed 12 June 2020)
A Watson (resigned 26 March 2020)
R Wigley

Secretary and registered office

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

Company number

5724660

Auditors

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

QC Ground Limited

Strategic report for the year ended 30 September 2020

The directors present their strategic report and financial statements for QC Ground Limited for the year ended 30 September 2020.

Business review

QC Ground Limited ("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, the Company 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 £408,640 (2019: loss of £408,640).

Key performance indicators


The Company's only activity is to own a long lease, on which the rent due has been, since 2013, waived. There are therefore no key performance indicators to report.

Principal risks and uncertainties

The only significant risk faced by the Company is the need to repay debt due to a Group Company. This is covered by a letter of support from the lenders.

Approval

This strategic report was approved by order of the Board on 29 January 2021.



A Lowenthal
Chairman

QC Ground Limited

Directors' report for the year ended 30 September 2020

The directors present their directors' report and financial statements for the Company for the year ended 30 September 2020.

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 (2019: £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:


B Anscomb (appointed 12 June 2020)
P Begg (resigned 26 March 2020)
J Bruce
C Ginman-Horrell
A Jansen
A Lowenthal (Chairman)
J Major
N Mills
C O'Donnell (re-appointed 12 June 2020)
L Pierpont Engstrom (resigned 26 March 2020)
S Raphael (appointed 12 June 2020)
D Taylor (re-appointed 12 June 2020)
R Taylor (appointed 12 June 2020)
A Watson (resigned 26 March 2020)
R Wigley

Political contributions

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

Approval

This directors' report was approved by order of the Board on



A Lowenthal
Chairman

Date 29 January 2021

QC Ground Limited

Directors' responsibilities statement for the year ended 30 September 2020

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.

QC Ground Limited

Profit and loss account for the year ended 30 September 2020

	Note	2020 £	2019 £
Administrative expenses	2	(408,640)	(408,640)
Operating loss		<u>(408,640)</u>	<u>(408,640)</u>
Loss before taxation		(408,640)	(408,640)
Tax on loss	4	-	-
Loss for the financial year		<u>(408,640)</u>	<u>(408,640)</u>

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 part of these financial statements.

QC Ground Limited

Balance sheet at 30 September 2020

Company number 5724660	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		43,996,924		44,405,564
Current assets					
Debtors	6	1		1	
Creditors: amounts falling due within one year	7	(6,506,274)		(6,506,274)	
Net current liabilities			(6,506,273)		(6,506,273)
Total assets less current liabilities			37,490,651		37,899,291
Creditors: amounts falling due after more than one year			-		-
Net assets			37,490,651		37,899,291
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			(4,509,351)		(4,100,711)
Shareholders' funds			37,490,651		37,899,291

For the year ended 30 September 2020, 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 financial statements were approved by the Board of Directors and authorised for issue on on 29 January 2021

A.S. Lowenthal

A Lowenthal
Chairman

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

QC Ground Limited

Notes forming part of the financial statements for the year ended 30 September 2020

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.

Going concern

The directors have received a letter of support from The Queen's Club Limited, confirming that the inter-company loan of £6,506,274 will not be drawn until the resources of the Company permit.

Accordingly, the accounts are prepared on a going concern basis.

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.

QC Ground Limited

Notes forming part of the financial statements for the year ended 30 September 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets (continued)

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.

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.

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.

2 Expenses

Included in profit and loss account are the following:

	2020 £	2019 £
Depreciation	408,640	408,640

3 Employees

No staff were employed by the Company during the year.

There was no directors' remuneration and none was borne by other group companies (2019: £Nil).

QC Ground Limited

Notes forming part of the financial statements
for the year ended 30 September 2020 (*continued*)

4 Taxation

Total tax expense recognised in the profit and loss account

	2020 £	2019 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustment in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
<i>Reconciliation of effective tax rate</i>		
	2020 £	2019 £
Loss for the year	(408,640)	(408,640)
	<hr/>	<hr/>
Loss excluding taxation	(408,640)	(408,640)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2019: 19%)	(77,642)	(77,642)
Effect of depreciation	77,642	77,642
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

QC Ground Limited

Notes forming part of the financial statements
for the year ended 30 September 2020 (*continued*)

5 Tangible fixed assets

	Land and buildings £
<i>Cost</i>	
At 1 October 2019	49,060,888
Disposals	-
	<hr/>
At 30 September 2020	49,060,888
	<hr/>
<i>Depreciation and impairment</i>	
At 1 October 2019	4,655,324
Depreciation charge for the year	408,640
Disposals	-
	<hr/>
At 30 September 2020	5,063,964
	<hr/>
<i>Net book value</i>	
At 30 September 2020	43,996,924
	<hr/>
At 30 September 2019	44,405,564
	<hr/>

QC Ground Limited holds the property and leases it to The Queen's Club Limited. Since 2013, the Company has waived the rent due from The Queen's 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

	Group 2020 £	Group 2019 £
Other debtors	1	1
	<hr/>	<hr/>

QC Ground Limited

Notes forming part of the financial statements
for the year ended 30 September 2020 (continued)

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to The Queen's Club Limited	6,506,274	6,506,274

8 Share capital and reserves

	2020 £	2019 £
<i>Authorised</i>		
999 (2019: 999) ordinary shares of £1 each	999	999
1 (2019: 1) special share of £1	1	1
	100	100
	2020 £	2019 £
<i>Allotted, called up and fully paid</i>		
50 (2019: 50) ordinary shares of £1 each	50	50
1 (2019: 1) special share of £1	1	1
	51	51

In May 2007, The All England Lawn Tennis Ground Plc ("AELTG") was issued one special share in each of QC Holdings Limited, The Queen's Club Limited, QC Ground Limited and QC Trustees Limited. The rights attaching to the special shares are set out in full in the articles of association of each company. 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 in the event of a proposed asset sale or share sale and, subject to certain exceptions, at a market price discounted by 10 per cent.

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 2019	51	41,999,951	(4,100,711)	37,899,291
Profit for the year			(408,640)	(408,640)
As at 30 September 2020	51	41,999,951	(4,509,351)	37,490,651

QC Ground Limited

Notes forming part of the financial statements
for the year ended 30 September 2020 (*continued*)

10 Related parties

There were no related party transactions between the Company and its ultimate parent company, QC Trustees Limited (2019: £Nil) and there were no balances owed or owing at the balance sheet date (2019: £Nil).

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of The Queen's Club Limited. The ultimate controlling party is QC Trustees 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.