The Jersey Opera House Limited

Directors' Report and Audited Financial Statements

For the Year Ended 31 December 2018

The Jersey Opera House Limited

Company Information

Directors	P Horsfall CBE M O'Keeffe D Chalk C Whelan
Company secretary	J Hendry
Registered number	71063
Registered office	The Opera House Gloucester Street St Helier Jersey JE2 3QR
Independent auditor	Bracken Rothwell Limited Chartered Accountants 2nd Floor, The Le Gallais Building 54 Bath Street St Helier Jersey JE1 1FW
Bankers	Barclays Bank plc PO Box 8 13 Library Place St Helier Jersey JE4 8NE

The Jersey Opera House Limited

Contents

Directors' Report
For the Year Ended 31 December 2018

The Directors present their report and the audited financial statements of The Jersey Opera House Limited (the "Company") for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is the management and operation of the Jersey Opera House.

Dividends paid

There were no dividends paid in the year under review *(2017 - £NIL)*.

Results

The Statement of Comprehensive Income for the year is set out on page 6.

Directors

The Directors who served during the year were:

P Horsfall CBE
M O'Keeffe
D Chalk
C Whelan

Going concern and future developments

The Directors have prepared these financial statements on a going concern basis on the assumption that the Company will continue to be supported at the current level by the States of Jersey for the coming 12 months and will receive the grant award at the agreed upon installment dates.

The Directors are of the opinion that should there be a reduction or delay in the receipt of the grant award from the States of Jersey that the Company's going concern basis would be jeopardised and the Company would likely to be unable to continue to fulfill the cultural mandate which they have been assigned as the operating activities of the Company would have to be reduced or ceased altogether.

As at the date of the signing these financial statements it is unknown what the level of ongoing financial support will be available from the States of Jersey as although a three year agreement has been signed (2016–2019) the level of funding has only been agreed for 2018.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no material events affecting the Company since the year end.

Directors' Responsibilities Statement
For the Year Ended 31 December 2018

The Directors are responsible for preparing the Directors' Report and the audited financial statements in accordance with applicable law and generally accepted accounting principles.

Company law requires the Directors to prepare audited financial statements for each financial year which 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 audited financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Articles 113B (4) and 113C (2) of the Companies (Jersey) Law 1991 the Directors acknowledge the auditor's right of access at all times to the Company's records and acknowledge that it is an offence for anyone to recklessly or knowingly supply information to the auditor that is false or misleading and to fail to promptly provide information requested.

Directors' Report (continued)
For the Year Ended 31 December 2018

Auditor

The auditor, Bracken Rothwell Limited has indicated their willingness to remain in office for the foreseeable future.

This report was approved by the board on 26-06-2019 and signed on its behalf.

Director

BRACKEN I ROTHWELL
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE JERSEY OPERA HOUSE LIMITED

Opinion

We have audited the financial statements of the Jersey Opera House Limited (the "Company") for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 19 to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- present a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance for the year then ended;
- have been properly prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A); and
- have been prepared in in accordance with the Companies (Jersey) Law 1991.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing applicable in the United Kingdom (ISAs (UK)). 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 Company in accordance with the Ethical Standards as issued by the Financial Reporting Council ("FRC") in the United Kingdom and other guidance and ethical requirements that are relevant to our audit of the financial statements in Jersey, 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.

Material factors relating to the use of the going concern assumption

We draw your attention to note 3.2 in the financial statements which indicates that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company is heavily dependent on continued support from the States of Jersey in order to continue in operation. Any reduction or delay in the level or timeliness of grant payments could result in the Company becoming insolvent. The Company may also have to reduce the programme of performances to be shown at the Jersey Opera House. As of the date of this audit report, the level of funding has been agreed for 2019. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements

Management is responsible for the other information which comprises the Directors' Report on pages 1 to 2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. As part of the audit of the financial statements we read the other information and 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, 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.

BRACKEN I ROTHWELL
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE JERSEY OPERA HOUSE LIMITED (CONTINUED)

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with FRS 102 Section 1A and for such internal control as management determines 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, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alistair Rothwell, FCA
For and behalf of
Bracken Rothwell Limited
2nd Floor, The Le Gallais Building
54 Bath Street, St Helier
Jersey, JE1 1FW
Date: 9 July 2019

Statement of Comprehensive Income
For the Year Ended 31 December 2018

	Notes	2018 £	*2017 £*
Turnover		**998,452**	*1,010,997*
Cost of sales		**(638,959)**	*(734,589)*
Gross profit		**359,493**	*276,408*
Administrative & establishment expenses		**(882,012)**	*(808,763)*
Other operating income		**497,155**	*479,251*
Operating loss	8	**(25,364)**	*(53,104)*
Finance costs	9	**(3,600)**	*(4,021)*
Loss before tax		**(28,964)**	*(57,125)*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 18 form part of these financial statements.

The Jersey Opera House Limited

Statement of Financial Position
As at 31 December 2018

	Notes		2018 £		*2017 £*
Fixed assets					
Tangible assets	10		**127,333**		*165,362*
Current assets					
Stocks	11	**10,671**		*9,391*	
Debtors: amounts falling due within one year	12	**16,212**		*33,190*	
Cash at bank and in hand	13	**328,138**		*366,637*	
		355,021		*409,218*	
Creditors: amounts falling due within one year	14	**(254,082)**		*(316,106)*	
Net current assets			**100,939**		*93,112*
Net assets			**228,272**		*258,474*
Capital and reserves					
Called up share capital	15		**1,000**		*1,000*
Capital and contingency reserve			**46,524**		*68,719*
Restricted children's activity reserve			**5,440**		*6,678*
Retained earnings			**175,308**		*182,077*
			228,272		*258,474*

The financial statements have been prepared in accordance with FRS 102 - Section 1A.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

P P Monfalle

Director

The notes on pages 9 to 18 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2018

	Called up share capital	Capital and contingency reserve	Restricted children's activity reserve	Retained Earnings	Total equity
	£	£	£	£	£
At 1 January 2017	**1,000**	**-**	**6,678**	**307,921**	**315,599**
Comprehensive income for the year					
Net loss for the year	-	-	-	(57,125)	(57,125)
Creation of capital and contingency reserve (note 3.17)	-	75,985	-	(75,985)	-
Transfer of depreciation between reserves	-	(7,266)	-	7,266	-
At 1 January 2018	**1,000**	**68,719**	**6,678**	**182,077**	**258,474**
Comprehensive income for the year					
Net loss for the year	-	-	-	(28,964)	(28,964)
Amounts paid from restricted funds	-	-	(1,238)	-	(1,238)
Transfer of depreciation between reserves	-	(22,195)	-	22,195	-
At 31 December 2018	**1,000**	**46,524**	**5,440**	**175,308**	**228,272**

The notes on pages 9 to 18 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. General information

The Jersey Opera House Limited (the "Company") is involved in the management and operation of the Jersey Opera House.

The Company is a private company and was incorporated in the Island of Jersey on 4 March 1998. The address of its registered office is The Jersey Opera House, Gloucester Street, St Helier, Jersey, JE2 3QR.

2. Statement of compliance

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 Section 1A") and the Companies (Jersey) Law 1991.

3. Summary of significant accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A and the Companies (Jersey) Law 1991.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

3.2 Going concern

The Directors have prepared these financial statements on a going concern basis on the assumption that the Company will continue to be supported at the current level by the States of Jersey for the coming 12 months and will receive the grant award at the agreed upon installment dates.

The Directors are of the opinion that should there be a reduction or delay in the receipt of the grant award from the States of Jersey that the Company's going concern basis would be jeopardised and the Company would likely to be unable to continue to fulfill the cultural mandate which they have been assigned as the operating activities of the Company would have to be reduced or ceased altogether.

As at the date of the signing these financial statements it is unknown what the level of ongoing financial support will be available from the States of Jersey as although a three year agreement has been signed (2016–2019) the level of funding has only been agreed for 2018.

3.3 Turnover

Income consists of ticket sales from theatre events and is recognised in the financial year in which the event occurs.

The main income is supplemented by bar and catering income, venue hire and drama classes income, which are all accounted for on an accruals basis.

3. Summary of significant accounting policies (continued)

3.4 Cost of sales

Cost of sales consists of the associated costs to the ticket sales from theatre events and is recognised in the financial year in which the event occurs.

The main costs are in relation to the bar and catering expenses, venue hire and drama classes expenses, which are all accounted for on an accruals basis.

3.5 Administrative expenses

Administrative expenses consists of the associated costs of running the Company and is recognised in the financial year in which the event occurs and accounted for on an accruals basis.

3.6 Establishment expenses

Establishment expenses consist of the costs associated with maintaining the building of the Opera House and includes costs of repairs and maintenance. All costs are accounted for on an accruals basis and recorded through the Statement of Comprehensive Income.

In order to ensure funding for future capital improvements to be undertaken by the Company a designated reserve was created (see note 3.17). Improvements which are capital in nature are recognised in line with policy disclosed in note 3.8.

3.7 Other operating income

Other operating income includes government grant income, representing the annual grant received from the States of Jersey.

Other income also includes sponsorships and donations, as well as income from equipment hire. All income, including bank interest, is accounted for on an accruals basis.

3.8 Tangible fixed assets

Tangible fixed assets consist of fixtures and fittings and plant and equipment and are stated at their purchase price, inclusive of direct expenses of acquisition less accumulated depreciation.

Tangible fixed assets are depreciated on a straight-line basis over the assets' estimated useful economic lives, which are currently estimated to be 2 - 5 years.

Improvements which are funded through the creation of designated reserves are depreciated through the Statement of Comprehensive Income with an equivalent amount being transferred from the reserve to the Statement of Comprehensive Income such that net effect of such depreciation on the result of the Company is nil.

3.9 Cash flow statement

The Company has taken advantage of the exemption from preparing a Statement of Cash Flows under the terms of the Financial Reporting Standard 102 Section 1A on the grounds that it is a small company.

3. Summary of significant accounting policies (continued)

3.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are liquid investments that mature in no more than 12 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.13 Finance leases

Where tangible assets are financed by leasing agreements that transfer predominantly all of the risks and rewards of ownership of those assets to the company, those assets are treated as if they had been acquired by the Company. The amount capitalised is the minimum lease rentals payable during the entire lease term. Depreciation on the relevant assets is charged to the Statement of Comprehensive Income as outlined in paragraph 3.8 above.

Lease rentals paid are analysed between the respective capital and interest elements so that the interest element is charged to the Statement of Comprehensive Income over the period of the lease and represents a constant proportion of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

3.14 Stocks

Bar and food stock is stated at the lower of cost and net realisable value after making allowances for obsolete and slow moving stock.

Stocks of production materials relating to theatre events occurring after the financial year end are shown at the lower of cost and net realisable value until used in production when they are written off to the cost of the relevant production on the first night.

3.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

3. Summary of significant accounting policies (continued)

3.16 Taxation

The Company is exempt from Jersey Income Tax on the basis of having been granted an extra-statutory concession by the Comptroller of Income Tax from receiving income tax assessments under the Income Tax (Jersey) Law 1961.

3.17 Reserves and designated funds

The Company operates a policy of allocating funds from the Statement of Comprehensive Income (consisting of retained historic profits and losses) to specific reserve accounts as and when required by the business needs. Reserves, designated funds and proposed transfers between the reserves sub-funds are reviewed on annual basis by the Board of the Directors and adjustments made as follows:

a) Restricted funds reserve
This reserve fund relates to unspent funds received and earned from restricted grants, purpose donations or sponsorship. The funds are allocated to this reserve in instances when the grant-provider / sponsor has specified what the money must be spent on and the Company is not permitted to spend the funds on any purpose other than as agreed with the donor/sponsor.

b) Unrestricted funds reserve
This fund is the main fund maintained with relation to the operating activities of the Company. This fund can be spent on regular business requirements and to fulfil the objectives and mission of the organisation.

c) Designated funds
This reserve is treated as restricted funds which are earmarked for specific activities which will be spent in a particular timeframe. Examples could include the purchase of new technical or catering equipment. This reserve is created at the discretion of the Board of the Directors, which reserves the right to change the allocations in order to reflect changes in circumstances.

This fund will also include specific reserves held for future events, uncontrollable by the Board including but not limited to: significant deterioration in performance of the Company, unexpected events e.g fire which would stop business from operating as normal, loss of revenue etc. These reserves will be presented as a capital and contingency reserve.

4. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Capital and contigency reserve
The Company is particularly aware of the need to cover the contingent liabilities such as future cash flow, programme commitments and meeting the costs of dissolution in the event that the organisation was forced to close. The amount allocated to capital and contingency reserve is reviewed annually by the Board of the Directors and assessed for adequacy. The Reserve for projects which are agreed to be funded by the Reserve by the Board is created once this expenditure is approved at the Board level.

The target amount for this capital and contingency reserve was estimated to be 3 to 6 months of annual expenditure however this was unable to be agreed with the States of Jersey, who insisted on a a maximum of 2 months of annual expenditure which would be equal to £253,495. However during the year the level of the capital and contingency reserve was unable to be agreed with the States of Jersey.

5. Turnover

	2018 £	2017 £
Ticket sales	474,421	534,928
Theatre hire income	170,302	160,132
Programme income and commissions	961	1,659
Studio income	23,755	15,344
Children's drama classes	12,000	12,480
Bar and food sales	300,977	267,203
Credit card commissions received	16,036	19,251
Total	**998,452**	*1,010,997*

6. Cost of sales

	2018 £	2017 £
GST recoverable	(392)	(1,552)
Incoming show fees	407,266	517,625
Technical equipment hire	5,175	4,401
Studio expenses	8,412	6,799
Children's drama classes	4,446	4,558
Bar and food costs	200,831	191,775
Ticket credit card acquiring charges	13,221	10,982
Total	**638,959**	*734,588*

7. Other operating income

	2018 £	2017 £
Piano income	1,070	800
Room hire income	350	195
Crew recharges	371	-
Workshop income	200	613
Own equipment hire income	28,579	11,487
Theatre token sales income	555	616
Miscellaneous income	2,124	2,394
Government grant	463,600	463,000
Interest receivable	306	146
Total	497,155	479,251

8. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	38,030	26,474
Fees payable to the Company's auditor	4,200	4,000
	42,230	30,474

9. Finance costs

	2018 £	2017 £
Bank interest payable	3,600	4,021

10. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	**298,055**	**87,813**	**18,712**	**404,580**
At 31 December 2018	**298,055**	**87,813**	**18,712**	**404,580**
Depreciation				
At 1 January 2018	**193,358**	**43,806**	**2,054**	**239,218**
Charge for the year on owned assets	**19,835**	**11,166**	**7,028**	**38,029**
At 31 December 2018	**213,193**	**54,972**	**9,082**	**277,247**
Net book value				
At 31 December 2018	**84,862**	**32,841**	**9,630**	**127,333**
At 31 December 2017	*104,697*	*44,007*	*16,658*	*165,362*

In 2017 the Company was required to make significant investment into the establishment in order to improve IT Infrastructure, renovate and modernise the Kitchen and Bar area in order to comply with Health & Safety requirements and to carry out capital improvements to the building to continue meeting Environmental Health standards.

The improvements were funded through the capital and contingency reserve and depreciated through the Statement of Comprehensive Income with an equivalent amount being transferred from the reserve to the Statement of Comprehensive Income such that net effect of such depreciation on the result of the Company is nil.

11. Stocks

	2018 £	*2017* £
Bar and food stocks	**10,671**	*9,391*

12. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	2,450	15,844
GST recoverable	4,152	6,806
Prepayments and accrued income	9,610	10,540
	16,212	33,190

13. Cash at bank and in hand

	2018 £	2017 £
Bank current account - unrestricted funds	320,548	357,809
Bank reserve account - restricted funds	5,440	6,678
Cash balances	2,150	2,150
	328,138	366,637

The amounts in the Bank reserve account represents amounts available for the restricted children's activity reserve and cannot be used for any other purpose.

Cash held in the Bank current account at year end is analysed below to show net unrestricted cash available after discharging all current liabilities:

	2018 £	2017 £
Bank current account	320,548	357,809
Amount due to advance ticket sales	(138,095)	(126,851)
Amount due to trade creditors	(87,900)	(162,016)
Amount due to ITIS and Social Security	(23,888)	(23,239)
Amount due to other creditors	(4,200)	(4,000)
Net cash after discharging current liabilities	66,465	41,703

14. Creditors: amounts falling due within one year

	2018 £	*2017 £*
Trade creditors	**87,899**	*162,016*
ITIS and social security	**23,888**	*23,239*
Other creditors	**4,200**	*4,000*
Advance ticket sales	**138,095**	*126,851*
	254,082	*316,106*

15. Share capital

	2018 £	*2017 £*
10,000 *(2017 - 10,000)* Ordinary shares of £1.00 each	**10,000**	*10,000*
Allotted, called up and fully paid		
1,000 *(2017 - 1,000)* Ordinary shares of £1.00 each	**1,000**	*1,000*

16. Reserves

Reserves comprise the capital and contingency reserve and the restricted children's activity reserve.

The capital and contingency reserve was created in 2017 as a designated reserve in accordance with the reserves policy. Funds allocated to this reserve are earmarked for specific activities. During the year the Company allocated no additional capital to the capital and contingency reserve (2017: £75,985) in relation to infrastructure improvements across the Jersey Opera House building. The improvements undertaken in 2017 were capitalised in fixed assets and have been depreciated in the Statement of Comprehensive Income. A transfer equal to the depreciated amount is transferred each year from the capital and contingency reserve such that net effect of such depreciation on the result of the Company is nil.

The restricted children's activity reserve is used to enhance children's experience of drama and storytelling. During the year ended 31 December 2018 a total of £1,238 was paid out of this reserve (2017: £nil).

17. Related party transactions

During the year the Company was the beneficiary of funding in the form of a grant from the States of Jersey. The total funding for 2018 amounted to £463,600 (2017: £463,000).

18. Transactions with associated body

During the year, the Company administered the receipts of the funds on behalf of The Opera House Charitable Trust (the "OHCT") also known as The Friends of Jersey Opera House. During the year, the Company received and transferred funds of £2,655 to the OHCT (2017: £2,325). The OHCT uses the funds to sponsor various events, children's shows and offer continuing support to the training of the Company's staff.

19. Parent entity and ultimate controlling party

The parent entity is ArtHouse Jersey (formerly the Jersey Arts Trust), a Trust established and financed by the States of Jersey to promote the arts in Jersey. The ultimate controlling party is the States of Jersey.

The Jersey Opera House Limited

Detailed profit and loss account
For the Year Ended 31 December 2018

	2018 £	2017 £
Turnover	998,452	1,010,997
Cost of sales	(638,959)	(734,588)
Gross profit	359,493	276,409
Gross profit %	36.0 %	27.3 %
Other Operating Income	497,155	479,251
Administration Expenses	(681,908)	(615,329)
Establishment expenses	(200,104)	(193,434)
Operating loss	(25,364)	(53,103)
Finance costs	3,600	4,021
Loss for the year	(28,964)	(57,124)

Schedule to the Detailed Accounts
For the Year Ended 31 December 2018

	2018 £	*2017 £*
Turnover		
Turnover	**998,452**	*1,010,997*

	2018 £	*2017 £*
Cost of sales		
Cost of sales	**638,959**	*734,588*

	2018 £	*2017 £*
Other operating income		
Other operating income	**33,249**	*16,105*
Government grants receivable	**463,600**	*463,000*
Interest receivable	**306**	*146*
	497,155	*479,251*

	2018 £	*2017 £*
Administration expenses		
Staff salaries	**545,998**	*493,130*
Staff travel and hotels	**869**	*456*
Board hospitality	**-**	*36*
Printing and stationery	**4,995**	*5,478*
Postage	**2,009**	*1,141*
Advertising and promotion	**54,329**	*54,178*
Trade subscriptions	**8,453**	*8,669*
Legal and professional	**210**	*4,478*
Auditors' remuneration	**4,200**	*4,000*
Bad debts recovered	**(8)**	*-*
Sundry expenses	**533**	*617*
Depreciation - plant and machinery	**26,864**	*17,926*
Depreciation - office equipment	**11,166**	*6,494*
Depreciation - computer equipment	**-**	*2,054*
Recruitment and training	**7,032**	*7,949*
Office equipment	**15,258**	*8,723*
	681,908	*615,329*

Schedule to the Detailed Accounts
For the Year Ended 31 December 2018

	2018 £	2017 £
Establishment		
Rates	511	553
Light and heat	83,527	70,961
Cleaning	44,608	41,951
Insurances	9,785	9,406
Repairs and maintenance	53,955	62,328
Health and safety costs	400	1,489
Telephone	7,318	6,746
	200,104	193,434

	2018 £	2017 £
Interest payable		
Bank interest payable	3,600	4,021