

Company Registration No. 71063 (Jersey)

**THE JERSEY OPERA HOUSE LIMITED**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



**BRACKEN | ROTHWELL**

Accountants & Financial Advisors

# THE JERSEY OPERA HOUSE LIMITED

## COMPANY INFORMATION

---

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

---

# **THE JERSEY OPERA HOUSE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	<b>1</b>
Directors' responsibilities statement	<b>2</b>
Independent auditor's report	<b>3 - 4</b>
Statement of comprehensive income	<b>5</b>
Statement of financial position	<b>6</b>
Statement of changes in equity	<b>7</b>
Notes to the financial statements	<b>8 - 16</b>

---

# THE JERSEY OPERA HOUSE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the audited financial statements of The Jersey Opera House Limited (the "Company") for the year ended 31 December 2019.

#### Principal activities

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

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Horsfall CBE  
M O'Keeffe  
D Chalk  
C Whelan

#### Results and dividends

The statement of comprehensive income for the year is set out on page 5.

There were no dividends paid in the year under review (2018 - £NIL).

#### Auditor

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

#### 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 the 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 of that information.

#### Post reporting date events

See note 13 for a detailed assessment of the COVID-19 pandemic and its ongoing impact on the operations of the Company.

#### Going concern

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

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

On behalf of the board



Director

Date: 29/01/2021

# **THE JERSEY OPERA HOUSE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

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

Companies (Jersey) Law 1991 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 judgements and accounting estimate 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 the enable them to ensure that the financial statements comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for the 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.



## BRACKEN | ROTHWELL

CHARTERED ACCOUNTANTS

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

#### Auditor Authorisation

Bracken Rothwell Limited is authorised to act as auditor of The Jersey Opera House since it satisfies the requirements set out in Article 102(1)(c) of the Companies (Jersey) Law 1991.

#### Opinion

We have audited the financial statements of the Jersey Opera House Limited (the "Company") for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 16 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 2019, 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 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 1.2 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. 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 | 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Alistair Rothwell, FCA**

For and behalf of

**Bracken Rothwell Limited**

*2<sup>nd</sup> Floor, The Le Gallais Building*

*54 Bath Street, St Helier*

*Jersey, JE1 1FW*

Date: *1 Feb 2021*

# THE JERSEY OPERA HOUSE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 £	2018 £
Income	3	1,109,149	998,452
Cost of sales	4	(780,348)	(638,959)
<b>Gross surplus</b>		<b>328,801</b>	<b>359,493</b>
Administrative expenses		(886,767)	(882,012)
Other operating income	5	552,770	497,155
<b>Operating deficit</b>		<b>(5,196)</b>	<b>(25,364)</b>
Finance costs	6	(3,428)	(3,600)
<b>Deficit for the financial year</b>		<b>(8,624)</b>	<b>(28,964)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.



# THE JERSEY OPERA HOUSE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	8	90,410	127,333
<b>Current assets</b>			
Stocks	9	10,008	10,671
Debtors	10	32,166	16,212
Cash at bank and in hand		424,954	328,138
		467,128	355,021
<b>Creditors: amounts falling due within one year</b>	11	(296,293)	(254,082)
<b>Net current assets</b>		170,835	100,939
<b>Total assets less current liabilities</b>		261,245	228,272
<b>Equity and Reserves</b>			
Called up share capital		1,000	1,000
Designated capital contingency reserve		25,948	46,524
Restricted renovation reserve		41,597	-
Restricted children's activity reserve		5,440	5,440
Retained surplus / (loss)		187,260	175,308
<b>Members' funds</b>		261,245	228,272

The financial statements were approved by the Board of Directors and authorised for issue on ..... and are signed on its behalf by:



Director

29/01/2021

The notes on pages 8 to 16 form part of these financial statements.

# THE JERSEY OPERA HOUSE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Capital and contingency reserve	Backstage renovation reserve	Restricted childrens activity reserve	Retained earnings	Total
		£	£	£	£	£	£
<b>Balance at 1 January 2018</b>		1,000	68,719	-	6,678	182,077	258,474
<b>Year ended 31 December 2018:</b>							
Loss and total comprehensive income 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	-
<b>Balance at 31 December 2018</b>		1,000	46,524	-	5,440	175,308	228,272
<b>Year ended 31 December 2019:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(8,624)	(8,624)
Restricted donation for refurbishment	13	-	-	41,597	-	-	41,597
Transfer of depreciation between reserves		-	(20,576)	-	-	20,576	-
<b>Balance at 31 December 2019</b>		1,000	25,948	41,597	5,440	187,260	261,245

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

#### Company 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 Opera House, Gloucester Street, St Helier, Jersey, JE2 3QR.

#### Statement of compliance

The financial statements of the Company have been prepared in accordance with the United Kingdom Accounting standards, including the 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 Companies (Jersey) Law 1991.

#### 1.1 Basis of preparation of financial statements

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 2).

The following principal accounting policies have been applied:

#### 1.2 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 Government of Jersey for the coming 12 months and will receive the grant award at the agreed upon instalment dates.

The Directors are of the opinion that should there be a reduction or delay in the receipt of the grant award from the Government of Jersey that the Company's going concern basis would be jeopardised and the Company would likely to be unable to continue to fulfil 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 Government of Jersey as although a three year agreement has been signed (2016-2019) the level of funding has only been agreed for 2019.

#### 1.3 Revenue and cost recognition

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 accrual basis.

#### 1.4 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 accruals basis.

#### 1.5 Administrative expenses

Administrative expenses consist 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.

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.6 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 the future capital improvements to be undertaken by the Company a designated reserve was created (see note 1.17). Improvements which are capital in nature are recognised in line with policy disclosed in note 1.8.

#### 1.7 Other operating income

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

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

#### 1.8 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 the net effect of such depreciation on the result of the Company is nil.

Plant and equipment	17.5%
Fixtures and fittings	20.0%
Computers	50.0%

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.12 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 rate.

#### 1.13 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 outlines in paragraph 1.8 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.

#### 1.14 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 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.

#### 1.15 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.

#### 1.16 Taxation

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

#### 1.17 Reserves and designated funds

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

##### a) Restricted funds reserves

This type of reserve fund relates to unspent funds received or earned from restricted grants, purpose donations or sponsorships. The funds are allocated to this type of reserve in instances when the grant-provider/sponsor has specified what the money must be spent on. The Company is not permitted to spend the funds on any purpose other than those agreed with the grant-provider/sponsor. The Company has two such reserves; the Restricted renovation reserve and the Restricted children's activity reserve. The Restricted renovation reserve is generated from fundraising performances and donations for backstage refurbishments for the artists' dressing room areas only.

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.17 Reserves and designated funds (continued)

##### b) Unrestricted funds reserve

Unrestricted fund reserves are reserves created from the Retained surplus or loss account for a specific purpose. This type of reserve can be spent on regular business requirements or to fulfill specific objectives and/or the mission of the Company. The Company currently has no reserves of this type.

##### c) Designated funds

This type of reserve is to be treated as restricted funds, which will be spent in a particular timeframe on specific activities. 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. The Company's only such reserve is the Designated capital contingency reserve, which was created in 2017 from the Retained surplus or loss account to enable the Company to purchase fixed assets which are being depreciated over a period ending in 2022.

##### d) Retained surplus / loss

Retained surplus / loss comprises the accumulated annual surplus or loss of the Company from the Statement of comprehensive income. Retained surplus / loss is not a designated or undesignated reserve, in the sense of it being a ring-fenced reserve out of which payments can be made, but rather is an account that accumulates the accounting surpluses and losses from the Company's operating activities since incorporation. Retained surplus / loss can be used by the Company to make distributions to shareholders, to strengthen the Company's Statement of financial position or to sustain future losses, all subject to the Company having sufficient cash at bank to settle its obligations as and when they fall due to remain a going concern.

### 2 Judgements 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.

#### Extraordinary circumstances 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 of the organisation was forced to close.

The target amount for this Extraordinary circumstances reserve was estimated to be 3 to 6 months of annual expenditure however this was unable to be agreed with the Government of Jersey, who insisted on a maximum of 2 months of annual expenditure which would be equal to approximately £253,495. However at no point was this agreed with the Government of Jersey. As a result this reserve has not been established to date.

### 3 Turnover

	2019	2018
	£	£
Ticket sales	576,279	474,421
Theatre hire and tour income	165,723	170,302
Programme income and commissions	779	961
Studio income	18,712	23,755
Childrens drama classes	7,920	12,000
Bar and food sales	321,839	300,977

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>3</b>	<b>Turnover</b>	<b>(Continued)</b>	
	Credit card commissions received	17,897	16,036
		<u>1,109,149</u>	<u>998,452</u>
<b>4</b>	<b>Cost of sales</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	GST payable/(recoverable)	20	(392)
	Incoming show fees	524,341	407,266
	Technical equipment hire	3,390	5,175
	Studio expenses	6,847	8,412
	Children's drama classes	2,824	4,446
	Bar and food costs	226,607	200,831
	Ticket credit card acquiring charges	16,319	13,221
		<u>780,348</u>	<u>638,959</u>
<b>5</b>	<b>Other operating income</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Friends income	2,000	-
	Piano income	1,000	1,070
	Room hire income	488	350
	Crew recharges	368	371
	Workshop income	-	200
	Own equipment hire income	16,221	28,579
	Theatre token sales income	525	555
	Miscellaneous income	2,721	2,124
	Government grant	528,600	463,600
	Interest receivable	847	306
		<u>552,770</u>	<u>497,155</u>
<b>6</b>	<b>Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Interest on financial liabilities measured at amortised cost:		
	Bank interest payable	<u>3,428</u>	<u>3,600</u>



# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in surplus or deficit:

	Notes	2019 £	2018 £
In respect of:			
Plant and equipment	8	(2,797)	-
Fixtures and fittings		2,775	-
Computers		2,483	-
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		2,461	-
		<u>          </u>	<u>          </u>

Reversals of previous impairment losses have been recognised in surplus or deficit as follows:

	Notes	2019 £	2018 £
In respect of:			
Computers	8	(2,403)	-
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		(2,403)	-
		<u>          </u>	<u>          </u>



# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2019	298,055	87,813	18,712	404,580
Elimination of fully depreciated assets	(155,987)	(57,747)	(11,565)	(225,299)
Impairment	-	-	(2,403)	(2,403)
At 31 December 2019	142,068	30,066	4,744	176,878
<b>Depreciation and impairment</b>				
At 1 January 2019	213,193	54,972	9,082	277,247
Depreciation charged in the year	23,674	6,013	2,372	32,059
Adjustment to align to fixed asset register	(2,797)	2,775	2,483	2,461
Eliminated in respect of assets fully depreciated	(155,987)	(57,747)	(11,565)	(225,299)
At 31 December 2019	78,083	6,013	2,372	86,468
<b>Carrying amount</b>				
At 31 December 2019	63,985	24,053	2,372	90,410
At 31 December 2018	84,862	32,841	9,630	127,333

More information on impairment movements in the year is given in note 7.

### 9 Stocks

	2019 £	2018 £
Bar and food stocks	10,008	10,671

### 10 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	18,939	2,450
GST recoverable	5,063	4,152
Prepayments and accrued income	8,164	9,610
	32,166	16,212

# THE JERSEY OPERA HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019	2018
	£	£
Trade creditors	134,620	87,899
ITIS and social security	30,424	23,888
Advance ticket sales	127,049	138,095
Other creditors	4,200	4,200
	<u>296,293</u>	<u>254,082</u>

### 12 Share capital

	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 (2018 - 1,000) Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 13 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 (2018: £46,524) in relation to infrastructure improvements across the Jersey Opera House building. The improvements undertaken in 2018 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 to the retained earnings 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 2019 a total of £nil was paid out of the reserve (2018: £1,238).

The backstage renovation reserve was created during the year from a donation of £38,597 worth of profits from Sir Ian McKellan's 80th Birthday Tour of the UK whereby all of the profits were ring-fenced to be used to improve the artist experience and facilities in the backstage area of the Jersey Opera House building. There was also a donation of £3,000 from a concert held by IDA to be used for the same purpose. The Company has also been given a verbal agreement by a representative of the Government of Jersey that they will match this amount with funds collected from defunct bank accounts, however this has not yet been formalised.

## THE JERSEY OPERA HOUSE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

---

##### 14 Events after the reporting date

On March 11, 2020, the World Health Organization declared that the outbreak of COVID-19 was considered a pandemic in recognition of its rapid spread worldwide, with more than 150 countries being affected. Many governments are taking increasingly stringent measures to help contain this virus. These measures include requiring self-isolation for those who may be potentially infected, implementing social distancing measures, and controlling or closing borders between countries. Economic impacts are expected in different sectors worldwide in the short and medium term due to this circumstance.

The leisure and hospitality industry has been particularly affected by the pandemic, with all theatres, cinemas, restaurants and bars being closed with immediate effect. The direct impact on the operation of The Jersey Opera House was a total shutdown with all touring professional and local community shows cancelled until 2021. The Directors have considered the implications of the restricted trading conditions and reviewed all controls to limit expenses to a minimum during this period of uncertainty. Consideration has also been given to the impact on the going concern assessment and its operations and do not anticipate any significant impact on the Company at this time. The Company has a financial year end of 31 December 2019.

The Board of Directors considered the implications of COVID-19 on its operation and are aware that the Jersey Opera House will continue to rely on a level of grant funding from the Government of Jersey for the foreseeable future.

##### 15 Transactions with associated body

During the year, the Company administered 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 £nil to the OHCT (2018: £2,655). The OHCT uses the funds to sponsor various events, children's shows and offer continuing support to the training of Company's staff.

##### 16 Parent entity and ultimate controlling party

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

# THE JERSEY OPERA HOUSE LIMITED

## DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	£	£	£
<b>Income</b>			
Turnover		1,109,149	998,452
<b>Cost of sales</b>			
Cost of sales	780,348	638,959	
		(780,348)	(638,959)
<b>Gross surplus</b>		328,801	359,493
<b>Other operating income</b>			
Government grants receivable	528,600	463,600	
Interest receivable	847	306	
Other operating income	23,323	33,249	
		552,770	497,155
<b>Administrative expenses</b>			
Staff salaries	509,023	545,998	
Rates	511	511	
Cleaning	44,516	44,608	
Light and heat	99,475	83,527	
Repairs and maintenance	72,178	53,955	
Health and safety costs	1,596	400	
Insurance	10,778	9,785	
Postage	2,005	2,009	
Trade subscriptions	10,352	8,453	
Legal and professional fees	9,984	210	
Auditors' remuneration	4,230	4,200	
Office Equipment	-	15,258	
Recruitment and training	4,815	7,032	
Bad debts recovered	-	(8)	
Printing and stationery	4,139	4,995	
Advertising and promotion	63,680	54,329	
Staff travel and hotels	1,873	869	
Sundry expenses	1,247	533	
Telephone	7,973	7,318	
Depreciation	32,059	38,030	
Impairment losses	4,864	-	
Purchase of IT equipment	1,469	-	
		(886,767)	(882,012)
<b>Operating deficit</b>		(5,196)	(25,364)

**THE JERSEY OPERA HOUSE LIMITED**

**DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

	£	2019 £	£	2018 £
Interest payable and similar expenses				
Bank interest payable		(3,428)		(3,600)
		<u>          </u>		<u>          </u>
Deficit before taxation		(8,624)		(28,964)
		<u>          </u>		<u>          </u>

---