

The Wharf House Co Ltd

Report on the accounts for the year ended 28 February 2019

The P & L (page 3, with detail on the back two pages) shows a reduced turnover of £278k, compared with £330k in 2018 and £387k in 2017. An analysis of those sales between Wharf House (TWH) and Malswick House (MH) is attached, with comparatives. Sales in both businesses dropped, TWH by nearly £20k and MH by £33k. The TWH result may have been caused by road closure of the A40 for part of the time and MH closed in December 2018, which would have reduced sales, although it is likely that this quarter would not have been very successful with January and February being fairly dead months for a pub. But in neither case is the result showing any success.

'Other operating income' comprised £10k for an insurance claim for the marquee at MH, £5271 for the maintenance receipt from Stauntons Hill Residents Association, £3869 for solar panels receipts, £2150 for billing for legal work and a few bits and pieces.

Admin expenses

These have dropped from £340k to £264k. The largest change is caused by the absence in 2019 of payments in respect of Leadon Hydro and Mill Barn, which combine to £47k. Wages are down from £158k to £122k, a small part as a result of the closure of MH, saving possibly £3k in the final quarter. Rates rose because the Council caught up with the fact that no single site discount was allowed, so there is a backlog element here. Travelling expenses and power, light and heat include backlog expenses. Prior year adjustments are made up mainly of two elements. One is the re-instatement of a loan that had been written off in an earlier year but turned out to be payable (£5k) and the other £5.4k was caused by a loan to HGCT for £5k being paid into TWHL in 2015. This was repaid by HGCT during the year with interest that had then to be transferred back via the inter-company account.

Interest and financial charges

During the year VAT surcharges of £4.6k were incurred, and interest of £6.7k was payable in respect of amounts due to HGCT for its funding and for normal bank charges. With the repayment of credit card debt anticipated during the current year these charges should fall away to very little.

Balance Sheet

Because of the closure of MH and the run-down of TWH prior to letting stocks were reduced and used up. The lease between HGCT and TWHL expired at the end of the 2018 year and this year that lease was written out of the books. This has no effect on profit since it had already been written off. The fixed assets are shown at a book value of £249k. The principle asset is MH, on the books at £233k, there is equipment of £8k and the remaining £107k is mainly improvements at TWH.

P R Marshall

Trustee for finances