

Appendix 1 – Financial Update 2018/19

The company's provisional profit and loss account and balance sheet for the period for the six month period from 1 April 2018 to 30 September 2018 are shown below. The profit and loss account includes comparative information for the same period in 2017:

Oportunitas Limited **Comparative Profit and Loss Report**

	<u>2018/19</u>	<u>2017/18</u>
From 1st April	Actual to	Actual to
	30.09.18	30.09.17
Income	£	£
Grounds Maintenance Charges	28,790	15,888
Housing Rents - Market Rate	107,371	88,701
Commercial Rents	3,750	5,501
	<hr/>	<hr/>
	139,911	110,090
Purchases		
Direct Expenses		
FHDC Grounds Maintenance Recharges	23,032	12,733
Advertising	360	1,130
Property Expenses	6,639	7,590
Property Management Charges	8,059	4,720
Premises Insurance	7,410	5,914
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	45,500	32,087
Gross Profit/(Loss):	<hr/> 94,411	<hr/> 78,003
Overheads		
Insurance	2,556	3,580
Professional Fees	1,350	3,710
Legal Fees	0	63
Management Charges from FHDC	7,464	9,996
Directors Remuneration	5,439	5,280
Bank Charges	48	83
Computer and Software	0	85
Sundry Expenses	243	50
	<hr/>	<hr/>
	17,100	22,847
Interest Payable	81,900	75,520
Net Profit/(Loss):	<hr/> -4,589	<hr/> -20,364

Oportunitas Limited
Balance Sheet at 30 September 2018

	<u>30.09.18</u>	
	£	£
Fixed Assets		
Investment Assets	<u>4,070,048</u>	4,070,048
Current Assets		
Debtors	12,420	
Bank Account	<u>300,965</u>	
	313,385	
Current Liabilities		
Creditors : Short Term	(49,016)	
Loan Interest	(371,932)	
VAT Liability	<u>(1,961)</u>	
	(422,909)	
Current Assets less Current Liabilities:		(109,524)
Total Assets less Current Liabilities:		3,960,524
Long Term Liabilities		
Creditors : Long Term	(3,511,000)	
		<u>(3,511,000)</u>
Total Assets less Total Liabilities:		<u>449,524</u>
Capital & Reserves		
Share Capital	300	
Reserves	478,451	
P & L Account	<u>(29,227)</u>	
		<u>449,524</u>

Commentary

- During the period, the company acquired 84 Sidney Street, Folkestone on 6 June 2018 for £385k, excluding Stamp Duty Land Tax, providing a further four units of housing accommodation for rent, reflected in the above financial statements. Since 30 September 2018 the company acquired 1 Claremont Road, Folkestone on 2 October 2018 for £350k, excluding Stamp Duty Land Tax, also providing a further four units of housing accommodation for rent and is not reflected above.
- The company made a net loss of £4.5k from its trading activities to the 30 September 2018, an improvement of £16k compared to the equivalent period last year with the main reasons being;-

i)	Property - net improvement	£7k
ii)	Grounds Maintenance – net improvement	£4k
iii)	Reduction in overheads	£5k
		<u>£16k</u>

3. The property activity for the profit and loss account to 30 September 2018 includes the full impact of 19 Castle Hill Avenue, acquired in May 2017, and also the partial impact of 84 Sidney Street, acquired on 6 June 2018.
4. The balance sheet shows the company's accumulated loss is £29k. This is analysed as follows:

		£k
i)	Realised losses on trading activities	(181)
ii)	Unrealised gains on property valuations	<u>152</u>
	Net accumulated loss	<u>(29)</u>

Note – The unrealised gains on property valuations is based on data at 31 March 2018 and does not reflect any increase in values that may have occurred during the six months to 30 September 2018. A revaluation of the property portfolio will be undertaken to capture the value at 31 March 2019.

5. The benefit to the council from its relationship with the company for the period to 30 September 2018, with comparatives for last year, is shown in the table below:

	30.09.18	30.09.17
	£	£
Loan interest	81,900	75,520
Grounds Maintenance income	23,032	12,733
Directors remuneration recharge	5,439	5,280
Staff recharges - management and administration	<u>7,464</u>	<u>9,996</u>
Total	<u>117,835</u>	<u>103,529</u>