

JULIAN HOUSE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

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JULIAN HOUSE

LEGAL AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2010

Registration number (under the Industrial and Provident Societies Act 1965)

19305R

Registered office

55 New King Street
Bath
BA1 2BN

Board of Management

Elected

Libby Gawith

Chair

Bob Alderman

Andy Mullett

(Resigned September 2009)

Richard Blows

(Resigned August 2010)

Tim Graham

Jenny Herbert

Mandy Loran

Treasurer

Ben Simpson

John Symonds

Christine Tuckerman

Roger Wain-Heapy

Hazel Watson

(Resigned June 2010)

Claire Wynne-Hughes

Co-opted

Matthew Graham

(Co-opted October 2009)

Julia James

(Co-opted October 2009)

David Lyon

(Co-opted October 2009)

Jonathan O'Shea

(Co-opted October 2009)

Annie Paddock

(Co-opted November 2009)

Ian Sutherland

(Resigned October 2009)

Kit Williams

(Resigned August 2010)

Only 5 co-opted members are allowed. Ian Sutherland resigned in October 2009 to allow 5 people to join the Board for their probationary period.

**Director and
Secretary**

Ian Sutherland

Senior Management Team

John Isserlis

Client Services Manager

Hugh Prentice

Finance and Systems Manager

Chris Stickler

Client Services Manager (Resigned April 2010)

Cecil Weir

PR and Fundraising Manager

Auditors

Harwood Lane

Units 1-4 Crossley Farm Business Centre

Swan Lane

Winterbourne

Bristol BS36 1RH

Bankers

Lloyds TSB

Milsom Street

Bath BA1 1DN

Bank of Scotland

Bath Street

Glasgow GL2 2DH

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2010

The Board of Management present their report together with financial statements for the year ended 31 March 2010.

Structure, Governance & Management

The organisation is a charitable housing association registered under the Industrial & Provident Societies Act 1965, which was first registered in 1987.

The objects and powers of the association are laid down in its Rules which are based on the National Housing Federation's Model Rules 2005.

The strategy and direction of the association is provided by the Board of Management and a number of Groups (i.e. committees) and Working Groups (i.e. time limited Groups). The implementation of the association's strategy and the provision of its day-to-day services are delegated to the Director and the Senior Management Team.

The Board has signed up to the code of governance for members of the National Housing Federation and seeks to abide at all times by the principles of good governance outlined in that document ó principles that require work to the very highest ethical standards and in the spirit of openness and accountability to all stakeholders.

Julian House tailored its own specific Code of Governance in 2005 based on the NHF's Competence & Accountability 2004 (Code of Governance for members of the National Housing Federation) and in line with the flexibility offered in paragraph A1 of the Code. The Julian House Code explicitly states how the NHF Code has been interpreted and implemented within Julian House. For example: the NHF Code B11 says "Where a board agrees to pay its members it should í í í .ø The Julian House Code B11 says "The Julian House Board does not pay its membersø

In August 2008 Julian House changed its Rules to a set based on the NHF Model Rules 2005 which now incorporate this Code of Governance into the organisation's constitution.

At 31 March 2010 there were 16 shareholders, each of whom held a single £1 share. This is the limit of their liability should the association be wound up.

Recruitment & Appointment of Board Members

The Board operates an open and transparent process for the recruitment of new Board members. The process is managed by the Board Effectiveness Group (BEG) on behalf of the Board.

BEG reviews the size and composition of the board on a regular basis (at least annually) including an assessment of the skills and experience of existing members, and the identification of any gaps that need filling to meet future needs. The aim is to have a diverse range of skills, competencies, experience and knowledge covering the following broad areas:

- Leadership and effective team working (to enable the Board to take strategic decisions for social results)
- Direct knowledge of the needs and aspirations of the communities and people served
- General business, financial and management skills, and management experience in a social care setting
- External framework and operating environment for Julian House
- Any other relevant or specialist skills (e.g. property management, legal, mental health)

The recruitment process is carried out by BEG based on the person profile established for that round of recruitment. Advertisements or articles are placed or circulated to the general media, specialist publications (such as Church magazines), Julian House's own newsletter and website, and to organisations that will circulate our advertisement internally on an intranet or on notice boards. For particular skills, e.g. accountancy, BEG also approaches specialist employers where they are most likely to be found.

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Recruitment & Appointment of Board Members, continued

Interested candidates complete an application form. BEG considers applicants' skills, etc against the selection profile being used and selects a shortlist for interview. Those who are successful at interview are co-opted to the Board for a probationary period of 12 months. After completing their probationary period new members are appointed as full Board members pending formal election at the next AGM. Board members are normally elected for a period of three years.

Each Board members individual contribution is assessed by BEG at the end of their probationary period and at the end of each 3-year elected period. BEG makes a recommendation to the Board on whether or not the Board should support their formal election/re-election.

The association is currently exploring the most appropriate method of involving its service users in its governance. Work continues on the creation of a Service User Council that will debate a range of issues and this may be a more effective method of informing Board decisions.

At each AGM one third of the elected Board members is required to stand down. At the forthcoming AGM Bob Alderman, Jenny Herbert and Claire Wynne-Hughes are standing down and all three are making themselves available for re-election. The Julian House Board has considered the contribution of these members and wholeheartedly supports their re-election.

Any Board member who has been appointed by the Board since the previous AGM is required to stand down and make themselves available for election at the next AGM. This year there have been no such appointments.

In February 2010 Julian House was registered with the Tenant Services Authority as a Registered Provider. A requirement of this registration is that Board membership must be reduced to 15.

Board Members' Induction & Training

New Board members undergo a period of induction. They receive an induction pack containing details of Board and management structures, a copy of the association's Code of Governance and its Rules (i.e. constitution), and information on all the association's projects and services.

Within the first few weeks new members are briefed by each member of the Senior Management Team on the content and issues of their respective areas of responsibility and go on to visit each project and service to meet staff and service users. New Board members are encouraged to be trained as volunteers and to undertake some volunteer sessions in Julian House night shelter and/or day centre, in order to experience grass roots service delivery. Board members are required to sign an 'Agreement of Board Membership' to signify their understanding of their role and responsibilities as a Board member:

Agreement of Board Membership of Julian House

As a new Board member you will be co-opted to the Board for a probationary period of 12 months, during which time you are expected to attend induction training, regular board meetings, other training sessions as appropriate and the meetings of any of the groups on which you are invited to serve. After a successful probationary period you will be expected to serve an initial term, normally three years.

As a Board member I agree to:

- 1) uphold Julian House's Code of Governance and Code of Conduct;
- 2) uphold the values and objectives of Julian House;
- 3) be conversant with, and uphold, the principles and key policies of Julian House including those for diversity and equality;
- 4) prepare for and attend the Board's meetings, training sessions and other events; contribute to and share responsibility for the Board's decisions. (For information, there are usually 8 board meetings a year as well as the AGM. Meetings are always arranged a year in advance, so it is possible for members to indicate availability and preference when dates are being negotiated. Apologies should be given as far in advance as possible. Meetings usually last for 2-3 hours starting promptly at 6.30 pm at 55 New King Street. In most years there is a Board Away Day, with staff representatives, on a subject that is agreed as important to both);

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Board Members' Induction & Training, continued

- 5) agree to membership of at least one of the Board's Groups. (For information, regular attendance at, and contribution to, these groups is regarded as very important. Groups meet regularly, sometimes intensively for a limited period of time);
- 6) be conversant with the services offered by Julian House. (For information, this will become apparent during induction training, but there is a need to digest a good deal of paperwork as well as learning who is the most appropriate person to whom to direct further questions. When in doubt, start with the Director);
- 7) declare any relevant conflict of interests. (For information, if this arises and it is agreed to be serious and on-going it will be necessary to reconsider membership of the Board. On most occasions such conflicts of interest are temporary and can be handled sensitively and with minimal disruption);
- 8) attend and participate in reviews linked to individual or whole board performance;
- 9) represent the organisation as appropriate. It is sometimes necessary and appropriate to explain the work of Julian House to others. However, if approached by the media you must not make any comment but refer the enquirer to the PR and Funding Manager or the Director;
- 10) respect the confidentiality of information;
- 11) use the appropriate channels for raising concerns.

Risk Management

The Board conducts a review of the major risks to which the association is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems have been established to mitigate the risks.

Internal control risks are minimised by clearly defining levels of delegated authority and by implementing systems of authorisation. The association's strategy for sustaining its sources of statutory funding, which is over 50% of its income, has been to invest in the quality and effectiveness of its service delivery and to demonstrate the services' good value-for-money. Alternative sources of funding are sought but if there was a wholesale loss of funding, for example, the local authority's withdrawal of Supporting People grant for Simon House (see below), then it is almost inevitable that services would have to close.

Procedures are in place to ensure compliance with the health and safety of staff, volunteers, service users and visitors. Health and safety has a high profile across the organisation with significant levels of Board and staff participation and some service user participation.

Organisational Structure

Julian House has a Board of up to 15 members which includes a maximum of five co-opted members. The Senior Management Team are in attendance at Board meetings as is an elected staff representative. No staff have voting rights. However, on significant issues staff comments and views are minuted. The Board currently has 14 elected/appointed members and one co-opted member.

A scheme of delegation is in place and the implementation of the association's strategy and its day-to-day operations rests with the Director along with the Senior Management Team. The Director is responsible for ensuring the association delivers the services specified and that key performance indicators are met.

Related Parties

In so far as it is complimentary to the association's objects, the association is guided by both local and national policy. It also strives to work in partnership with other voluntary agencies, statutory agencies and service commissioners to achieve the best overall outcomes for existing and future service users.

B&NES Supporting People grant is the only or dominant funding for six of the association's nine services. This funding is provided to B&NES by central government, the Department of Communities & Local Government (CLG). B&NES also allocates additional grant funding to four of the association's services, with money from the same government department. This high level of grant funding makes most services vulnerable as many would not be able to continue in their current form, if at all, if the grants were withdrawn. This is the situation being faced, as significant cuts in funding are predicted from April 2011.

The association plays a major role in shaping service developments affecting its service user group in B&NES. Its staff fulfil a number of roles, including: chair of the Housing & Drugs Working Group, representing this group on the Supporting People Core Strategy Group, deputy chair of the Supporting People Providers Forum, membership of B&NES Homelessness Partnership Core Group.

The association has also developed a close working relationship with the Probation Service and Police through the provision of its accommodation project (Peter House) for prolific offenders leaving prison with nowhere to live.

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Objects & Activities

The association's objects are:

To carry on for the benefit of the community and in particular for the socially and economically disadvantaged or vulnerable, or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people the following:

- the business of providing housing, accommodation and assistance to help house people and sustain them in housing and independent living, and associated facilities and amenities,
- any other charitable object that can be carried out by an Industrial & Provident Society

The association's objects are translated into a strategic direction which is enshrined in its **Purpose**:

- to eradicate the need for rough sleeping
- to enable those who are homeless and those who are vulnerable and at risk of homelessness to establish sustainable homes and lifestyles
- to empower all users of its services to achieve their fullest potential

The broad strategies used in pursuit of this Purpose have been:

- to engage with rough sleepers on the street, and to encourage a multi-agency response to their needs
- the ability to open an additional winter night shelter when there is the need
- to increase the amount of move-on accommodation accessible to our clients
- to focus on developing policies and working practices that improve the quality and effectiveness of all the association's services
- to engage in the forums that shape the future development of services in the area
- to explore alternative sources of funding for existing and new services
- to invest in the development of the association's staff team
- to strengthen the governance of the association

The work of the association is carried out by a team of 40 staff supported by 65 volunteers who cook, serve food, prepare beds and engage socially with the homeless people using the Night Shelter and Day Centre. The volunteers work on a rota to provide cover for 2.5 hours each morning in the Day Centre and 2.5 hours in the evening in the Night Shelter. Over the year volunteers have provided over 3,400 hours of support.

The association operates a trading subsidiary which covenants its profits to the association and which is entirely staffed by volunteers. They provided over 1,200 hours of support in the year. The trading subsidiary generated turnover of £19.5k. An additional 150 hours of volunteer time is provided to help run the association's fundraising events. The association is extremely grateful for the time provided by volunteers.

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Financial Review

Principal funding sources

Statutory funding

The association's dependency on statutory funding and the uncertainty in the future levels of that funding are a cause for major concern. Grant levels beyond March 2011 are expected to fall significantly, and given the national economic situation the prognosis is grim.

Rent

The second major category of income derives from rents, normally paid via housing benefit. The rent levels charged by the association reflect the costs incurred by the association in providing and managing the accommodation. Significant restructuring of housing benefit is also expected in the near future.

Voluntary Income

There is no doubt that the general pressures on the economy impacted on voluntary income. However this turned out to be not as great as was feared. The breadth of the organisation's income streams helped to offset the worst effects. The association is very grateful for the contributions people make, for without them the association could not achieve the outcomes that it does.

Charity Shops

In December 2008 Julian House opened its first charity shop in St James's Parade, Bath. On 31st March 2010 another shop was opened on Walcot Street. This is an exciting development for the organisation which will generate another valuable income stream and help to underpin future developments.

Investment Policy

Aside from retaining a prudent amount in an interest bearing bank current account to cover immediate outgoings, the balance of Julian House's reserves are held in a bank and building society accounts.

Reserves Policy

Julian House's Reserves Policy takes into account the risks associated with its major funding streams and the predicted cash flow requirements during the year. Given the extreme uncertainty of funding in the immediate future, the target for free reserves at March 2010 is to cover 6 months costs, £809k. Actual reserves are £603k.

A fund is also maintained for the future major repairs and maintenance of Julian House's properties. At the close of the year these combined funds stood at £113k having been reduced with the sale of Simon House (2009 £140k).

Other risks that are considered include the need to close Julian House in the event of some catastrophe. These costs fall well within the free reserves identified above.

Julian House is working with B&NES council on plans to replace the existing day centre and night shelter, and has also identified a range of additional services and projects that it wishes to develop. The Board has in previous years been able to create a New Projects Fund which now stands at £199k. This fund was not drawn on during the year.

We plan to continue all existing projects and services in the coming year; subject to the availability of adequate funding. The indications are that all existing funding streams will continue at acceptable levels in 2010/11, but from April 2011 very significant cuts are expected. The association will also seek further funding opportunities to extend the services it can offer to homeless and vulnerably housed people.

JULIAN HOUSE

REPORT OF THE BOARD OF MANAGEMENT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Responsibilities of the Board of Management

The Industrial and Provident Societies Acts 1965 requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Julian House and the surplus or deficit of Julian House for that period. In preparing these financial statements the Board of Management is required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that Julian House will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Julian House and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965. The Board is also responsible for safeguarding the assets of Julian House and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Harwood Lane as auditors will be put to the members at the Annual General Meeting.

Going concern

After making enquiries the Board of Management has a reasonable expectation that Julian House has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements.

Approved by the Board of Management on 20th September 2010 and signed on its behalf by:-



Ian Sutherland
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

JULIAN HOUSE

We have audited the financial statements of Julian House for the year ended 31 March 2010 which comprise the Income and Expenditure Account and the Balance Sheet and the related notes on pages 18 to 28. These financial statements have been prepared under accounting policies set therein. We are also required to report on the Report of the Board for the year ended 31 March 2010.

Respective responsibilities of Board of Management and auditors

Julian House's Board are responsible for the preparation the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Friendly and Industrial and Provident Societies Acts 1965 to 2002 and the regulations made under them. In addition we report to you if, in our opinion, Julian House has not kept proper accounting records, or if we have not received all the information, explanations and access to documents that we require for our audit.

We also report to you our opinion as to whether the Report of the Board has been prepared in accordance with the Friendly and Industrial and Provident Societies Acts 1965 to 2002 and the regulations made under them, and as to whether the information given therein is consistent with the financial statements.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Board. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Auditing Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the Board of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to Julian House's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion:

The financial statements give a true and fair view of the state of Julian House Limited's affairs as at 31 March 2010 and of its surplus/(deficit) for the year then ended and have been properly prepared in accordance with the Friendly and Industrial and Provident Societies Acts, 1965 to 2002, Schedule 1 to the Housing Act 1996 and The Accounting Requirements for Registered Social Landlords General Determination 2006.


Richard Cook (senior statutory auditor)

For and on behalf of Harwood, Lane & Co

Chartered Accountants and

Statutory Auditors

Units 1 - 4 Crossley Farm Business Centre

Swan Lane, Winterbourne

BRISTOL

BS36 1RH

Date: September 2010


JULIAN HOUSE


BALANCE SHEET AT 31 MARCH 2010

		Association		Group	
		Year ended 31 Mar 2010	Year ended 31 Mar 2009	Year ended 31 Mar 2010	Year ended 31 Mar 2009
	Note	£	£	£	£
Tangible assets					
Freehold and leasehold properties	7	858,641	1,286,579	899,033	1,327,847
Fixtures, fittings and equipment	8	28,941	23,063	28,941	23,063
		887,582	1,309,642	927,974	1,350,910
Investments					
Investments in subsidiary	9	37,453	41,269	-	-
		925,035	1,350,911	927,974	1,350,910
Current assets					
Debtors	10	81,054	97,082	84,900	78,475
Bank and cash balances		926,123	694,143	926,123	712,681
		1,007,177	791,225	1,011,023	791,156
Creditors: amounts falling due within one year	11	(127,555)	(96,959)	(134,340)	(96,889)
Net current assets		879,622	694,266	876,683	694,267
Total assets less current liabilities		1,804,657	2,045,177	1,804,657	2,045,177
Creditors: amounts falling due after one year	12	264,798	603,950	264,798	603,950
Capital and Reserves					
Share Capital	13	16	14	16	14
Capital reserves Unrestricted	14	615,653	683,343	615,653	683,343
Other Reserves					
Restricted	15	9,554	10,048	9,554	10,048
Unrestricted Designated	16	311,393	339,007	311,393	339,007
Unrestricted Revenue reserves		603,243	408,815	603,243	408,815
		1,804,657	2,045,177	1,804,657	2,045,177

These financial statements were approved by the Board of Management at its meeting on 20th September 2010


Chairperson


Secretary


Board member

The accompanying accounting policies and notes form an integral part of these financial statements.

JULIAN HOUSE**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010	2009
TURNOVER	1b/2	£1,523,742	£1,738,877
Operating Costs	2	(£1,611,148)	(£1,821,523)
Operating (Deficit)	2	(87,406)	(82,646)
Surplus on sale of housing accommodation		145,389	-
Interest Receivable and Other Similar Income	6	4,765	21,646
Interest Payable and Similar Charges		-	-
Other Income		36,374	119,909
Surplus on Ordinary Activities before Taxation	3	99,122	58,909
Tax on Surplus on Ordinary Activities	22	-	-
SURPLUS FOR THE YEAR		£99,122	£58,909
MOVEMENT ON RESERVES			
Income and Expenditure			
Balance Brought Forward		408,815	323,988
Surplus for the year		99,122	58,909
Transfer from Designated/Capital Reserves		95,306	25,918
REVENUE RESERVE CARRIED FORWARD		£603,243	£408,815

There were no other recognised surpluses or deficits other than those included in the Income and Expenditure Account for the above two financial years.

None of the Charity's activities was acquired or discontinued during the year.

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies is set out below.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with the requirements of the Statement of Recommended Practice for Accounting by Registered Housing Associations, and in accordance with Part III of Schedule I to the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Turnover

Turnover represents rental income receivable, and revenue and capital grants from central and local government and from national health trusts, spread over the period to which they relate.

Voluntary income

Voluntary income represents all other non-statutory income, both capital and revenue, from whatever source, including legacies, and is recognised in the accounts when it is received. Except in the case of fund-raising events, no costs of fund-raising have been netted against voluntary income.

Voluntary help and gifts in kind

No value has been put on the help received from Julian House's very many volunteers during the year. Individual gifts in kind of significant value are valued at estimated cost to the donor at the time of the gift and included in the Income and Expenditure Account; however there are numerous small gifts that cannot be quantified.

Cyclical and major repairs and maintenance

Julian House makes provision for major repairs and maintenance on an annual basis at a prudent level, to provide a designated revenue reserve to offset these expenses when they occur.

Administration costs

Administration costs relating to provision of services have been allocated to the provision of services.

Pension costs

The cost of providing retirement pensions and related benefits is charged against revenue over the periods benefiting from the employee's services.

Freehold and leasehold properties

The net cost of properties, after deducting capital grants received, is written off on a straight line basis over the expected economic useful lives of the assets, at the following rates:

Freehold property	Over 50 years
Initial cost of leasehold property	Over 25 years
Subsequent improvements to leasehold property	Over 10 years

Other fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Only items valued at more than £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	20% straight line
Office equipment	20% straight line

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Fund accounting

Capital reserves

Where Julian House has received grants or donations to specifically finance capital expenditure on properties, fixtures, fittings and office equipment, the amount of the grant is transferred to a specific Restricted Capital Reserve.

Once the reserve has been spent on purchasing an asset the Capital Reserve is written down at the same rate as the asset is depreciated.

Where other Association funds are used to purchase Fixed Assets, an equivalent value is transferred into Unrestricted Capital reserves, and written down at the same rate as the asset is depreciated.

Other Reserves

Restricted reserves

Where Julian House has received grants or donations specifically to finance revenue expenditure, the amount of the grant is transferred to a specific restricted Reserve.

Unrestricted Designated reserves

Unrestricted designated reserves are reserves designated by the Board for specific purposes.

Unrestricted revenue reserves

Unrestricted funds are other incoming resources received or generated for expenditure on the general objectives of Julian House.

Working capital is retained in bank accounts.

Taxation

As Julian House is a charity, it is exempt from any liability to taxation on its income or capital gains, if any. The Association is not registered for Value Added Tax, and where applicable, expenditure in these financial statements is stated inclusive of VAT.

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

2a.
PARTICULARS OF TURNOVER,
AND OPERATING COSTS

	2010			2009		
	Turnover	Operating Costs	Operating Surplus / (Deficit)	Turnover	Operating Costs	Operating Surplus / (Deficit)
Social Housing Lettings (note 2b)	422,797	515,305	(92,508)	553,680	648,131	(94,451)
Other Social Housing Activities						
- Supporting People	611,131	684,744	(73,613)	690,671	784,489	(93,818)
- Other	103,786	253,998	(150,212)	174,191	234,649	(60,458)
Non-Social Housing Activities						
Fundraising	386,028	157,101	228,927	320,335	154,254	166,081
	£1,523,742	£1,611,148	(£87,406)	£1,738,877	£1,821,523	(£82,646)

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

2(b) PARTICULARS OF INCOME AND EXPENDITURE ON LETTINGS	2010	2009
Income from general needs housing		
Rent Receivable net of identifiable service charges	436,931	495,312
Service charges receivable (all eligible for Housing Benefit)	65,466	135,529
	<hr/>	<hr/>
Gross Rental Income	502,397	630,841
Less: Rent losses from voids	-79,600	-77,161
	<hr/>	<hr/>
TURNOVER FROM SOCIAL HOUSING LETTINGS	422,797	553,680
	<hr/>	<hr/>
Expenditure on social housing lettings		
Management	252,085	295,427
Services	85,111	131,386
Routine Maintenance	13,037	21,007
Bad Debts	66,937	28,369
Depreciation of Housing Properties	28,338	43,849
Other Costs	69,797	128,093
	<hr/>	<hr/>
Operating Costs on Social Housing Lettings	515,305	648,131
Operating (Loss) on Social Housing Lettings	(£92,508)	(£94,451)
Number of Units	65	69
The average assured weekly rent was:	£148.64	£175.82

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

			Association		Group	
			Year ended 31 Mar 2010	Year ended 31 Mar 2009	Year ended 31 Mar 2010	Year ended 31 Mar 2009
3. Operating deficit on activities						
The deficit on activities is stated after charging:						
Depreciation:	Freehold property	6	23,463	40,524	23,463	40,524
	Leasehold property	6	2,064	2,064	2,064	5,880
	Fixtures, fittings and equipment	7	7,521	7,522	7,521	7,522
	Auditors remuneration: for audit services		3,020	2,870	3,020	2,870

4. Employment

The average number of full-time-equivalent persons employed by Julian House during the year was 37 (2009 41).

Staff costs during the year were:

	£	£	£	£
Wages and salaries	1,090,211	1,063,082	1,090,211	1,063,082
Social security costs	92,760	104,155	92,760	104,155
Pension costs	29,074	31,677	29,074	31,677
	1,212,045	1,198,914	1,212,045	1,198,914

5. Director's emoluments and interests

Non-executive directors (elected members of the Board of Management)

In accordance with Board policy non-executive directors did not receive any emoluments (2009 £nil). No expenses were paid to non-executive directors (2009 £nil).

Director

The emoluments of the Director, who is co-opted to the Board, were £64,815 (2009 £60,816) including pension contributions of £12,262 (2009 £10,967). The Director is a member of the Social Housing Pension Scheme administered by The Pensions Trust.

6. Interest receivable and similar income

			Association		Group	
			£	£		
Interest received on cash balances			4,765	21,646	4,767	21,924
Loan interest paid by Julian House Trading Ltd	8		3,060	3,060	-	-
			7,825	24,706	4,767	21,924

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

7. Tangible fixed assets properties

a. The Association

		Freehold property £	Short Leasehold property £	Total £
Cost	At the beginning of the year	1,477,805	360,827	1,838,632
	Additions during the year	-	10,892	10,892
	(Disposals during the year)	(517,835)	-	(517,835)
	At the end of the year	<u>959,970</u>	<u>371,719</u>	1,331,689
Capital Grants	At the beginning of the year	-	222,400	222,400
	Additions during the year	-	-	-
	At the end of the year	<u>-</u>	<u>222,400</u>	222,400
Depreciation	At the beginning of the year	207,891	121,762	329,653
	Charge for the year	23,463	2,064	25,527
	(On disposals)	(104,532)	-	(104,532)
	At the end of the year	<u>126,822</u>	<u>123,826</u>	250,648
Net book value	At the beginning of the year	<u>1,269,914</u>	<u>16,665</u>	1,286,579
	At the end of the year	<u>833,148</u>	<u>25,493</u>	858,641

Julian House owns the freehold to the Head Office in New King Street and two properties in Corn Street (9 bed residence). Julian House leases the night shelter, the shop and associated premises on Corn Street, a house in Southdown and Peter House.

b. The Group

		Freehold property £	Short Leasehold property £	Total £
Cost	At the beginning of the year	1,477,805	437,063	1,914,868
	Additions during the year	-	13,833	13,833
	(Disposals during the year)	(517,835)	-	(517,835)
	At the end of the year	<u>959,970</u>	<u>450,896</u>	1,410,866
Capital Grants	At the beginning of the year	-	222,400	222,400
	Additions during the year	-	-	-
	At the end of the year	<u>-</u>	<u>222,400</u>	222,400
Depreciation	At the beginning of the year	207,891	156,730	364,621
	Charge for the year	23,463	5,881	29,344
	(On disposals)	(104,532)	-	(104,532)
	At the end of the year	<u>126,822</u>	<u>162,611</u>	289,433
Net book value	At the beginning of the year	<u>1,269,914</u>	<u>57,933</u>	1,327,847
	At the end of the year	<u>833,148</u>	<u>65,885</u>	899,033

The subsidiary, Julian House Trading Ltd, holds a lease from Julian House for part of the premises at New King Street, which it uses as its shop. This arrangement ended on 31 March 2010 when the shop was moved to Walcot Street.

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

8. Fixtures, fittings and equipment
The Association and the Group

		Fixtures & fittings £	Office equipment £	Total £
Cost	At the beginning of the year	140,178	102,747	242,925
	Additions during the year (Write offs during the year)	13,398 (94,556)	- (23,474)	13,398 (118,030)
	At the end of the year	<u>59,020</u>	<u>79,273</u>	138,293
Depreciation	At the beginning of the year	118,556	101,305	219,861
	Charge for the year (Write offs during the year)	6,817 (94,556)	704 (23,474)	7,521 (118,030)
	At the end of the year	<u>30,817</u>	<u>78,535</u>	109,352
Net book value	At the beginning of the year	<u>21,622</u>	<u>1,442</u>	23,064
	At the end of the year	<u>28,203</u>	<u>738</u>	28,941

9. Fixed asset investments

	Year ended 31 Mar 2010 £	Year ended 31 Mar 2009 £
Cost of investment	2	2
Loan to subsidiary company	37,451	41,267
	<u>37,453</u>	<u>41,269</u>

Julian House owns 100% of the share capital of Julian House Trading Ltd, formerly Ex Libris Trading Ltd, which undertakes sales of second-hand books and other trading activities. The company is incorporated in England.

Julian House Trading Ltd operates from Julian House's freehold premises. In 2000 Julian House lent the company £80,000 so that the company could refurbish the part of the building which it uses; Julian House granted the company a lease, and took a charge over the lease as security for its loan which is repayable over a period of 20 years and carries interest at normal commercial rates.

As Julian House Trading Ltd covenants its entire profit to Julian House, it had no retained reserves at 31 March 2010. The company's financial statements for the year ended 31 March 2010 show the following:

	Year ended 31 Mar 2010 £	Year ended 31 Mar 2009 £
Turnover	19,570	21,113
Costs of sales	(3,202)	(2,181)
Amortisation of leasehold property costs	(3,816)	(3,816)
	<u>12,552</u>	<u>15,116</u>
Management Charges made by Julian House Note 1	(3,600)	(3,600)
Interest earned	2	278
Loan interest payable to Julian House Note 5	(3,060)	(3,060)
Operating profit covenanted to Julian House	<u>5,894</u>	<u>8,734</u>

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

	Association		Group	
	Year ended 31 Mar 2010 £	Year ended 31 Mar 2009 £	Year ended 31 Mar 2010 £	Year ended 31 Mar 2009 £
10. Debtors amounts falling due within one year				
Amounts due from subsidiary	2,616	19,108	-	-
Arrears of Housing Benefit	28,513	32,851	28,513	32,851
Accrued Building Society interest	-	-	-	-
Other debtors and prepayments	49,925	45,123	56,387	45,623
	81,054	97,082	84,900	78,474
11. Creditors amounts falling due within one year				
	£	£	£	£
Deferred income	45,950	24,666	45,950	24,666
Other Taxes and Social Security Costs	27,831	26,457	27,831	26,457
Other creditors and accruals	48,920	25,766	55,705	25,766
Mortgage account	4,854	20,000	4,854	20,000
	127,555	96,889	134,340	96,889
12. Creditors amounts falling due after one year				
Mortgage account	264,798	603,950	264,798	603,950
Julian House took out this mortgage in 2008 with the Bank of Scotland to facilitate the purchase of the Corn Street properties.				

13. Share capital

Allotted, issued and fully paid: 16 ordinary shares of £1 each (2009 £14)

Shares in Julian House are neither withdrawable or transferable, carry no right to interest, dividend or bonus, and do not entitle the owner to participate in the company's assets other than to the extent of the nominal value. Each member holds one share only in Julian House. During the year Julian House limited share ownership to current Board members.

14. Capital reserves Unrestricted

	Corn Street	St James	Julian House £	Simon House £	55 New King St £	Total £
Transfer to Reserves	364,667	-	-	-	-	364,667
Transfer from Reserves	-	(4,144)	(4,368)	(413,305)	(10,540)	(432,357)
	364,667	(4,144)	(4,368)	(413,305)	(10,540)	(67,690)
Balances at the beginning of the year		16,574	20,605	413,305	232,859	683,343
Balances at the end of the year	364,667	12,430	16,237	-	222,319	615,653

Capital Reserves represent Association funds used to purchase Fixed Assets. Depreciation charged against these Fixed Assets reduces the relevant Capital reserve, so that the net book value of the asset is fully matched by Capital Reserves.

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

15. Other reserves Restricted

	Julian House and Barnabas House	Simon House	55 New King St	Total
	£	£	£	£
Balances at the beginning of the year	10,048	-	-	10,048
Transfers	(494)	-	-	(494)
Balances at the end of the year	<u>9,554</u>	<u>-</u>	<u>-</u>	<u>9,554</u>

16. Other Reserves Unrestricted Designated

	Premises Sinking Fund	New projects fund	Total
	£	£	£
Transfer to Reserves	-	-	-
Transfer from Reserves	(27,614)	-	(27,614)
	<u>(27,614)</u>	<u>-</u>	<u>(27,614)</u>
Balances at the beginning of the year	140,282	198,725	339,007
Balances at the end of the year	<u>112,668</u>	<u>198,725</u>	<u>311,393</u>

a. Premises Sinking Fund

Julian House normally provides 1% of the original cost of freehold properties each year as a fund to cover future major building repairs; this year no such charge was budgeted as it was not thought affordable. The association normally provides £15,000 to cover the cyclical repairs to the interior of Julian House, but as there is an expectation that a replacement will be found for Julian House no provision has been made in the year. The reduction in the Premises Sinking Fund is the reversal of the provision for repairs to Simon House as the property was sold.

b. New Projects Fund

There was no expenditure against the New Projects Fund during the year because the expected replacement for Julian House did not materialise.

17. Pension obligations

a. Defined Contribution Pension

Julian House contributes to a multi-employer defined contribution pension scheme, the assets of which are held separately from those of Julian House in the Growth and Ethical Plan schemes operated by The Pensions Trust.

The latest information from the pension provider is as at 19 May 2010, when the estimated amount of the association's debt on-withdrawal-liability was £976 (at September 2009 £1,500). This amount is not due, it would become due if Julian House were to withdraw from the scheme.

b. Social Housing Pension Scheme

Julian House also operates a defined benefit pension scheme, the assets of which are held separately from those of Julian House in the Social Housing Pension Scheme operated by The Pensions Trust.

Julian House is unable to identify its share of the underlying assets and liabilities of the fund on a reasonable and consistent basis without the assistance of the scheme's actuaries. The trustees do not consider that a funding report on the share of the overall scheme deficit at 31 March 2010 attributable to Julian House is a worthwhile or reasonable exercise, or that the professional costs that such an exercise would involve (estimated at £30,000) can be justified.

Financial Reporting Standard 17 requires provision for pension scheme deficits to be made in financial statements. For the reasons set out above, no such provision has been made in these financial statements.

b. Social Housing Pension Scheme (continued)

Julian House was told that if it were to withdraw from the scheme at 30 September 2009, there would have been a 'debt on withdrawal' estimated at £317,000 (30 September 2008 £287,000). Julian House's future participation in this scheme is being reviewed, but no decision has yet been reached, and Julian House has therefore chosen not to account for any potential 'debt on withdrawal' liability until the position has been clarified.

Some employees contribute to other pension funds. In total the pension charge of £29,074 (2009 £31,677) represents contributions payable to the funds; there was £3,581 in contributions outstanding at year end (31 March 2009 £3,332).

18. Capital commitments

Julian House does not have any capital commitments at 31 March 2010 (none at 31 March 2009).

19. Contingent liabilities

Other than the Pension liabilities (described in note 16), there are no contingent liabilities. There were no contingent liabilities at 31 March 2010.

20. Lease commitments

Total commitment of £161k being made up of £11k, representing 6 months rent at Barnabas House, and £150k, representing the remainder of the lease at Walcot Street. (31 March 2009 £11k)

21. Transactions with directors and other related parties

Two members of the Board of Management, Bob Alderman and Tim Graham, are also directors of the subsidiary trading company, Julian House Trading Ltd.

There were no other transactions with related parties during the year.

22. Taxation

The Board do not believe that Julian House's activities in the year gave rise to any taxation liability under section 505 of the Income and Corporation Taxes Act 1988.