

**Report of the Directors and**  
**Unaudited Financial Statements**  
**for the Year Ended 31 March 2021**  
**for**  
**Julian House Trading Limited**

**Julian House Trading Limited**

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**for the Year Ended 31 March 2021**

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**Julian House Trading Limited**

**Company Information**  
**for the Year Ended 31 March 2021**

**DIRECTORS:** D A McDonald (Chair)  
H C Bedser  
K A Eastham  
C P Stockham

**SECRETARY:** Mrs L Baxter

**REGISTERED OFFICE:** 55 New King Street  
Bath  
BA1 2BN

**REGISTERED NUMBER:** 03450273 (England and Wales)

**ACCOUNTANTS:** MHA Monahans  
Fortescue House  
Court Street  
Trowbridge  
BA14 8FA

## Julian House Trading Limited

### Report of the Directors for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

#### **PRINCIPAL ACTIVITY**

Julian House Trading Limited principally operates bike workshop social enterprises which trade, with embedded skills development opportunities, work experience placements and employability programmes for homeless and socially excluded people, furthering the wider objectives of Julian House.

Julian House Trading Limited operates on behalf of its parent company, Julian House (a company limited by guarantee and registered charity) as a mixed motive investment and to whom Julian House Trading Limited covenants its profits.

Julian House Trading Limited has a formal Service Level Agreement with Julian House, outlining their respective responsibilities in relation to the provision of and payment for shared services, and ensuring effective separation and governance.

Julian House Trading Limited operates three bike workshop social enterprises, located in Bath, Bristol and Trowbridge. Their current activities include:

- Build-a-bike training programmes
- Work experience and volunteering opportunities
- One-to-one employment support
- Bike refurbishment
- New and second hand bikes sales
- Bike accessories and cycling clothing sales
- Professional bike servicing
- Dr. Bike mobile bike servicing
- Cycle maintenance training courses for children, young people and adults
- Smoothie bike hire

A new 3-year strategy for Julian House Trading was agreed in January 2020 and set out our ambition for the company to break-even by March 2023, while sustaining positive social outcomes for homeless and socially excluded people and making a fully costed payment to Julian House charity for the provision of shared services.

#### **REVIEW OF BUSINESS**

##### **Performance and achievements**

When we embarked on our business plan for 2020-21, we never imagined or anticipated the events that would unfold with the onset of COVID-19. This, and the subsequent decision to permanently close our Exeter branch in the summer of 2020, necessitated a full review of our plans.

Throughout 2020-21 the bike workshop team have proved to be adaptable, flexible and resourceful in making the most of the opportunities in a difficult retail environment, while maximising the opportunities that COVID-19 restrictions have created for cycling and the promotion of sustainable travel.

In 2020-21 Julian House Trading Limited's turnover from sales was £454k (compared to £561k in 2019-20). This reduction in turnover is due to period where all the workshops were closed because of COVID-19 restrictions (March and April 2020), a challenging retail environment (operating a closed door policy and limiting numbers in the shops), a reduction in grant income as employability programmes were put on hold, and the subsequent closure of the Exeter Bike Workshop in July 2020.

The overall result for the year was a loss of £34k (compared to a loss of £30k in the previous year). While this is not an improved result, this includes a £59k fully costed contribution to Julian House for shared central services as well as a £41k loss incurred from the closure of the Exeter branch. Without the contribution to Julian House for shared central services the surplus would have been £25k.

Despite a tumultuous year, in 2020-21, Julian House Trading Limited has made positive progress against its strategic aims:

- 1 Providing accredited training courses, work experience placements and volunteering opportunities, alongside individual employment support, for homeless and socially excluded people.
  - Recruited 5 new Kickstarters through the Government work placement programme in our Bike Workshops.
  - Training, work experience and volunteering opportunities were suspended throughout the majority of 2020-21 due to Covid-19.
  - Employment support, build-a-bike courses and work placements were recommenced for a short period during September 2020 and resumed fully in April and May 2021, as Covid restrictions lifted.
  - Volunteers returned to the Bike Workshops in limited numbers in April 2021.

**Julian House Trading Limited**

**Report of the Directors  
for the Year Ended 31 March 2021**

- All Bike Workshops returned to normal trading hours and all staff returned from furlough in April and May 2021.
  
- 2 Ensuring the long-term financial sustainability of each bike workshop; growing trading income, increasing margins, exercising good cost control, and successfully fundraising for our employability programmes where needed.
  - Retail sales in our bike workshops have increased year on year, with trading gross margin rising by 10% to £294k in 2020-21, compared to £311k last year, and £281k the year before that.
  - Sold 811 refurbished second-hand bikes and 235 New bikes.
  - 2101 bikes were donated to our bike workshops, an increase from 1163 in 2019-20
  - Continued to build on the success of on-line sales platforms and 'click and collect'.
  - Successfully trialled and launched a new online servicing booking in all workshops.
  
- 3 Providing professional, ethical, environmentally sustainable and fairly priced, quality products and services, which give every customer who comes to one of our shops, the service/sale they need and want.
  - 1016 (999 in previous year) customer bikes were serviced through our Bronze, Silver and Gold service packages and a further 5,106 miscellaneous services and repairs were carried out.
  - Continued to ensure that 100% of bike workshop staff are qualified to at least Cytech level 2.
  - Introduced a sustainable environmentally friendly tyre recycling programme in all the Bike Workshops
  - Won a sustainability award in the 2020 P.E.A. (People. Environment. Achievement.) Awards in the TRAVEL & TOURISM category, Winner (Getting from A to B).
  - Attracted 895 Instagram followers (up from 191 last year) and 852 Facebook followers (up from 668 last year).
  - Invested in customer service and positive sales training for the bike workshop team.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

D A McDonald (Chair)  
H C Bedser  
K A Eastham  
C P Stockham

**FUTURE PLANS**

A strategy session was held with the board of Julian House Trading in November 2020 and followed up by a similar session with all our bike workshop staff. Both exercises generated a number ideas for improvements and revenue generation, which have been evaluated/appraised and will inform the development of our business plan for the coming year.

Our strategic aims and overall ambition are unchanged, but our key priorities are now:


- Maximising the operating efficiency of our all our stores to optimise their productivity.
- Building the capacity and skills of all our bike workshop staff and embedding a positive, ethical sales culture.
- Scaling up our marketing activity to drive a significant increase in physical and online sales.
- Reigniting our training and employability programmes for clients.
- Developing new trading initiatives, such as hire bikes, focussing on profitability.

**GOING CONCERN**

Having reviewed the expected future performance of the company and having obtained confirmation of the ongoing support of the parent charity, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
Mrs L Baxter - Secretary

Date: 9 September 2021

**Chartered Accountants' Report to the Board of Directors**  
**on the Unaudited Financial Statements of**  
**Julian House Trading Limited**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Julian House Trading Limited for the year ended 31 March 2021 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Julian House Trading Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Julian House Trading Limited and state those matters that we have agreed to state to the Board of Directors of Julian House Trading Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Julian House Trading Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Julian House Trading Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Julian House Trading Limited. You consider that Julian House Trading Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Julian House Trading Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



MHA Monahans  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

Date: 24 September 2021

**Julian House Trading Limited**

**Income Statement**  
**for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		589,959	761,330
Cost of sales		160,100	250,316
<b>GROSS PROFIT</b>		429,859	511,014
Administrative expenses		463,454	540,077
<b>OPERATING LOSS</b>	4	(33,595)	(29,063)
Interest payable and similar expenses		120	934
<b>LOSS BEFORE TAXATION</b>		(33,715)	(29,997)
Tax on loss		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(33,715)</u>	<u>(29,997)</u>

The notes form part of these financial statements

**Julian House Trading Limited (Registered number: 03450273)**

**Balance Sheet**  
**31 March 2021**

	Notes	2021	2020
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	36,935	87,255
<b>CURRENT ASSETS</b>			
Stocks		79,590	84,214
Debtors	6	9,602	79,175
Cash at bank and in hand		13,644	12,253
		<u>102,836</u>	<u>175,642</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	166,888	114,997
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(64,052)</u>	<u>60,645</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(27,117)</u>	<u>147,900</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	229,246	370,548
<b>NET LIABILITIES</b>		<u>(256,363)</u>	<u>(222,648)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2	2
Retained earnings		(256,365)	(222,650)
		<u>(256,363)</u>	<u>(222,648)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 9 Sept 2021 and were signed on its behalf by:

  
.....  
D A McDonald (Chair) - Director

The notes form part of these financial statements



**Julian House Trading Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 March 2021**

**1. STATUTORY INFORMATION**

Julian House Trading Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent company on the basis that it is a wholly owned subsidiary within the group.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short-term leasehold property	over 10 years
Fixtures and fittings	over 5 years
Motor vehicles	over 5 years

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

**Debtors**

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

**Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Julian House Trading Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2021**

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. At the year end date, although the company had net liabilities, having reviewed the expected future performance of the company and obtained confirmation of the ongoing support of the parent charity, the directors are satisfied that the company continues to be a going concern and have prepared the accounts on this basis.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 15 (2020 - 21).

4. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	48,321	34,435
Profit on disposal of fixed assets	(1,000)	-
	47,321	34,435

5. **TANGIBLE FIXED ASSETS**

	Short-term leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2020	145,752	127,370	13,146	286,268
Disposals	(94,135)	(102,335)	(5,000)	(201,470)
At 31 March 2021	51,617	25,035	8,146	84,798
<b>DEPRECIATION</b>				
At 1 April 2020	95,835	95,505	7,673	199,013
Charge for year	26,254	20,104	1,963	48,321
Eliminated on disposal	(94,136)	(102,335)	(3,000)	(199,471)
At 31 March 2021	27,953	13,274	6,636	47,863
<b>NET BOOK VALUE</b>				
At 31 March 2021	23,664	11,761	1,510	36,935
At 31 March 2020	49,917	31,865	5,473	87,255

**Julian House Trading Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2021**

<b>6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2021	2020
	£	£
Trade debtors	-	1,935
Other debtors	2,198	7,406
Prepayments and accrued income	7,404	69,834
	<u>9,602</u>	<u>79,175</u>
<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2021	2020
	£	£
Trade creditors	12,356	28,245
Amounts owed to group undertakings	114,887	61,990
Other creditors	500	645
Accruals and deferred income	39,145	24,117
	<u>166,888</u>	<u>114,997</u>
<b>8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	2021	2020
	£	£
Amounts owed to group undertakings	<u>229,246</u>	<u>370,548</u>
<b>9. OTHER FINANCIAL COMMITMENTS</b>	2021	2020
	£	£
Total future minimum payments under non-cancellable operating leases	<u>42,750</u>	<u>63,837</u>

**10. ULTIMATE CONTROLLING PARTY**

Julian House Trading Limited is a wholly owned subsidiary of Julian House, a charity registered with the Charity Commission (1183751) and a registered company limited by guarantee in England and Wales (11791952). The registered office and place of business of Julian House is 55 New King Street, Bath, BA2 1BN.

**Julian House Trading Limited**

**Trading and Profit and Loss Account  
for the Year Ended 31 March 2021**

	2021		2020	
	£	£	£	£
<b>Turnover</b>				
Grants and donations	69,114		126,163	
HACT income	258		18,767	
Bicycle sale	440,480		550,574	
Coronavirus business support grant	66,969		55,000	
Other sales	13,138		10,826	
	<hr/>	589,959	<hr/>	761,330
<b>Cost of sales</b>				
Purchases		160,100		250,316
		<hr/>		<hr/>
<b>GROSS PROFIT</b>		429,859		511,014
<b>Expenditure</b>				
Rent - non operating lease	44,867		50,907	
Rates	169		16,452	
Insurance	3,088		4,829	
Light and heat	5,996		14,705	
Water	1,258		2,116	
Wages	323,589		365,347	
Staff private health insurance	985		1,568	
Telephone and fax	4,142		3,637	
Printing and stationery	1,157		1,981	
Advertising and promotion	503		4,197	
Hotels, travel and subsistence	336		5,492	
Motor expenses	7,231		9,305	
Staff training and recruitment	889		3,518	
Repairs and maintenance	11,571		6,674	
Computer costs	3,687		4,295	
General office expenses	4,177		6,463	
Accountancy	1,697		2,755	
Subscriptions	381		330	
	<hr/>	415,723	<hr/>	504,571
		14,136		6,443
<b>Finance costs</b>				
Bank charges	410		1,070	
Loan	120		934	
	<hr/>	530	<hr/>	2,004
		13,606		4,439
<b>Depreciation</b>				
Short leasehold	26,398		14,867	
Fixtures and fittings	19,960		16,940	
Motor vehicles	1,963		2,629	
	<hr/>	48,321	<hr/>	34,436
		(34,715)		(29,997)
<b>Profit on disposal of fixed assets</b>				
Motor vehicles		1,000		-
		<hr/>		<hr/>
<b>NET LOSS</b>		(33,715)		(29,997)
		<hr/> <hr/>		<hr/> <hr/>

This page does not form part of the statutory financial statements