



**JULIAN HOUSE**

**(Regulator of Social Housing registration: L4549**

**Company Number: 11791952**

**Registered Charity Number: 1183751)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON 28 JANUARY 2019 TO  
31 MARCH 2019**

# **JULIAN HOUSE**

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## **REPORT AND FINANCIAL STATEMENTS** **For the year ended 31 March 2019**

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## JULIAN HOUSE

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### REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2019

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<b>Trustees</b>	Joy Saunders	(Chair from September 2018)
	Edward Rowberry	(Chair until September 2018) (Resigned September 2018)
	Kirsty Eastham	(Vice Chair) (from February 2019)
	Lee Burman	
	Emma Cooke	(appointed September 2018)
	Matthew Graham	
	Barry Hughes	
	Margaret Ndlovu	
	Andrew Stafford	
	Sue Porto	(resigned June 2018)
Ahran Symonds-Baig	(appointed October 2018)	
Michael Whitcroft		

<b>Secretary</b>	Helene Law	(resigned 22 October 2018)
	Patricia Keen	(appointed 22 October 2018)

All the existing trustees and the company secretary at the point of conversion to a charitable company of 28 January were appointed as directors / company secretary on this date.

<b>Chief Executive</b>	Peter Denning	(until 31 January 2019)
	David McAuley	(from 3 July 2019)

<b>Senior Management Team</b>	Jane Andrew	HR & Admin Manager (on adoption leave for part of year)
	Helen Bedser	Business Development Director
	Helene Law	Finance Director (until 2 November 2018)
	Patricia Keen	Finance Director (from 22 October 2018)
	Francis Longmore	HR & Admin Manager (adoption leave cover)
	Cecil Weir	Fundraising & PR Director
Roanne Wooten	Operations Director	

**Registered Company Number** 11791952

**Registered Charity Number** 1183751

**Regulator of Social Housing Number** L4549

**Registered Office and Place of Business** 55 New King Street  
Bath  
BA1 2BN

**Auditors** MHA Monahans  
Fortescue House  
Court Street  
Trowbridge  
BA14 8FA

**JULIAN HOUSE**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**For the year ended 31 March 2019**

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**Bankers**

Lloyds Bank  
Milsom Street  
Bath  
BA1 1DN

Triodos Bank  
Deanery Road  
Bristol  
BS1 5AS

CAF Bank Ltd  
Kings Hill  
Kent  
ME19 4JQ

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

**TRUSTEES' REPORT**  
**For the year ended 31 March 2019**

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**Introduction**

The Board of Trustees of Julian House present their report and the audited financial statements of the organisation for the year ended 31 March 2019.

**Change of Registration**

On 28 January 2019 Julian House converted by statutory process from a registered community and cooperative benefit society, to a registered company limited by guarantee in England and Wales, and subsequently became a registered charity with the Charities Commission.

**Public Benefit**

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The trustees further confirm that the activities of Julian House are carried out, in line with its objects, for the public benefit as described in this report.

**Objectives and Activities**

Julian House transforms the daily lives and futures of homeless and socially excluded people (our clients) through the provision of high-quality housing and support services. Our vision is for a just society where socially excluded people are supported and empowered to build sustainable, independent lives.

Our objects are to carry on for the public benefit:

- The business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services for people in necessitous circumstances, poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- To relieve unemployment, homelessness and social exclusion for the benefit of the public by providing individuals in charitable need with such training, support and employment and other opportunities, as may be thought fit; and
- Such other charitable purposes according to the law of England and Wales as the Trustees think fit from time to time.

Our values are:

- We value the individual
- We are creative
- We are collaborative

**TRUSTEES' REPORT**  
**For the year ended 31 March 2019**

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Our current activities furthering our charitable purpose are:

- Direct access homeless hostel
- Homeless day centre
- Assertive homeless outreach services
- Housing First
- Homeless hospital discharge service
- Travelling communities' outreach and engagement service
- Winter night shelters and severe weather emergency provision for people sleeping rough
- Supported housing for single homeless people with complex support needs
- Supported housing for offenders and people at risk of offending with complex support needs
- Supported housing for people in recovery from substance misuse
- Supported housing for young people at risk and leaving care
- Supported housing for people with Asperger's and Autism Spectrum Disorder
- Emergency refuges and safe housing for people fleeing domestic violence and abuse
- Nightstop emergency accommodation for homeless young people
- Employment support services for people facing significant barriers to work
- Healthy relationship programmes for children and young people affected by and/or at risk of domestic abuse
- Outreach support for children and young people affected by and/or at risk of domestic abuse
- Holiday playschemes for children living in our domestic abuse refuges

Our work spans the South West of England, encompassing Bath & North East Somerset, Wiltshire, Basingstoke, Bristol, South Gloucestershire, Somerset, Dorset, Basingstoke & Deane, Exeter, Devon and Cornwall.

**Strategies for Achieving Objectives**

Our Strategic Aims are:

- Improve outcomes for clients and communities by working collaboratively with partners
- Empower clients to have choice, control and an active voice
- Delivering excellence with motivated and skilled staff and volunteers
- Embrace change, learn and innovate
- Use Social Enterprise to enhance outcomes for our clients

Our business plan priorities for 2018-19, guided by our strategic aims are:

- Deliver high quality services with positive client outcomes
- Build organisational resilience for a vibrant sustainable future
- Develop and empower staff and volunteers to carry out their roles effectively

### TRUSTEES' REPORT

For the year ended 31 March 2019

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#### **Achievements and Performance**

In 2018-19 we supported in excess of 1,500 homeless and socially excluded children, young people and adults across our network of housing and support services.

Each year we run a confidential client survey and in October 2018:

- 96% of clients told us they are 'Very Satisfied' or 'Satisfied' overall with the support they receive from Julian House.
- 86% of clients said Julian House are 'Very Good' or 'Good' at helping them to access safe, clean and affordable accommodation.
- 89% of clients said Julian House staff are 'Very Good' or 'Good' at knowing their job and providing correct and consistent information.
- 81% of clients said support is available to improve their health and physical fitness – an increase of nearly 10% from the previous year.
- 78% of clients said support is available from Julian House with self-confidence, social skills and managing negative emotions such as anxiety and stress – an increase of 10% from the previous year.

#### **Homelessness**

With homelessness at record numbers, the current housing crisis and in the face of an increasingly challenging funding and policy environment, we find our services in ever-increasing demand.

Our direct access hostel in Bath provided emergency accommodation to 165 people who were rough sleeping or at risk of rough sleeping in 2018-19.

Our assertive homeless outreach teams in Bath and North East Somerset, Dorset, Exeter and Basingstoke worked with in excess of 700 people in 2018-19, supporting people sleeping rough to engage with appropriate services and to move off the streets into sustainable accommodation.

Through concerted and sustained effort with community partnerships in Exeter, Basingstoke and Bath and North East Somerset, and contrary to the national trend, we managed to achieve a reduction in official rough sleeping numbers by 51%, 47% and 41% respectively in these areas, compared to the previous year. The official rough sleeping figures for Dorset however remained stubbornly high.

We worked with partner organisations to establish two new Housing First projects; with Curo and DHI in Bath and North East Somerset and with BCHA in Exeter. Housing First provides permanent accommodation and wraparound support for people who have a history of entrenched rough sleeping, failed accommodation placements and/or who have struggled to engage in previous offers of support. We have worked intensively to support Housing First clients to build a stake in their local community, supporting 86% of tenants to sustain their accommodation.

On 1 July 2018, we merged with Community Housing Aid in Exeter, taking transfer of their highly regarded Nightstop, homeless hospital discharge and financial capability projects. Collectively last year these projects supported 254 young people and adults who were homeless or at risk of homelessness.

Between November 2018 and March 2019, we worked closely with partner organisations to provide emergency winter night shelters in Bath, Exeter and Weymouth, supporting a total of 372 people who were sleeping rough, or at risk of rough sleeping to access a safe and supportive environment, prevent loss of life and move into more settled accommodation.

During the year, we piloted a new service, supporting rough sleepers vulnerable to involvement in serious organised crime and exploitation by County Lines Groups. Our Custody Liaison Worker worked with 76 vulnerable people detained in custody in Exeter, to connect them with support and services, and put in place measures to safeguard them from exploitation.

**TRUSTEES' REPORT**

**For the year ended 31 March 2019**

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**Supported Housing**

Last year we increased the number of our supported accommodation units by 40%, to a total of 183 (up from 131 in 2017-18).

In April 2018 we commenced delivery of two new services in Wiltshire, providing supported housing for up to 21 people in recovery from substance misuse and nine single homeless people with support needs. These services offer person-centred support; empowering people to develop their skills, resilience and independence as a steppingstone to sustained recovery and move-on within 12 months to their own tenancy. We also commenced delivery of a new county-wide floating support service for homeless households living in temporary accommodation in Wiltshire.

In July 2018, we opened our first 4 units of supported housing specifically for homeless young people and care leavers, providing a sustainable move-on option for the young people accessing our Devon Nightstop project.

We expanded our existing accommodation provision and resettlement support services for offenders and people at risk of offending in Somerset, Bristol and South Gloucestershire and developed new criminal justice supported housing, including women-only provision in Devon and Cornwall, so that we now have a total of 60 bed-spaces for offenders with a range of complex needs across the South West.

During the year our voids performance reflected the short-term nature of many of our emergency and crisis services and the positive work being done to successfully move people into more settled accommodation. During the coming year, we will work continuously to safely minimise the number and length of voids in our properties.

We have seen an upward trend in clients entering and leaving our properties in arrears. At the same time, the margin between the rent we pay some owning landlords and the income we retain is increasingly squeezed. In response to the increasing risk we face, we intend to focus on increasing our housing management capacity, through staff training and improved project-specific and centralised arrears management systems. We will also review our approach to managing repairs and maintenance, to ensure this is as efficient and responsive as possible and meets the needs of our growing portfolio of supported housing services.

**Domestic Abuse Refuges**

We remain the lead provider of domestic violence and abuse (DVA) refuge services in Bath and North East Somerset. We opened our first small women's refuge in 2006; named Libra. Soon after, we started delivering the Freedom Programme; a group programme enabling women to identify abusive and controlling behaviours, and improve their confidence, self-esteem, and wellbeing, to help break the cycle of abuse. In recent years we have gone on to expand our DVA refuge provision to include Rosa and Renew refuges, and Serena; a dispersed complex needs refuge service which can accommodate women or men (in different locations) with experience of DVA, as well as people experiencing DVA alongside other complex needs. Our refuge provision today is truly inclusive of people with a range of diverse needs and from different backgrounds, including men and women, people with substance misuse needs, mental health needs and disabilities, as well as people from LGBTQ+ and Deaf communities.

In 2018-19 our DVA refuge services supported 92 adults and children to recover from the adverse effects of DVA and empowered people towards safer and more independent lives; free from abuse.



### TRUSTEES' REPORT

For the year ended 31 March 2019

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#### **Children and Young People**

We are acutely aware of the prevalence of domestic violence and abuse (DVA) amongst the individuals and families supported by Julian House, and the devastating impact of DVA across their life course and through the generations. Early intervention at critical stages in the lives of vulnerable children and young people can help prevent the escalation of problems that may otherwise lead to homelessness and social exclusion.

Last year, we extended the scope of our services, to focus on preventing and mitigating exposure to DVA in childhood. In May 2018, we took transfer of the specialist children and young people's domestic abuse services provided by the well-respected charity Survive, who had taken the difficult decision to close. We are proud to continue their work delivering the 'Back on Track' group programme, 1:1 outreach support and 'Connect with Respect' healthy relationships programme, throughout South Gloucestershire and Bristol. These services complement our existing 'CRUSH' domestic abuse programme provision for young people in Bath and North East Somerset.

We worked with a total of 168 children and young people through our domestic abuse services over the course of last year.

#### **Long-term Unemployed**

For many people we work with, finding a job represents the final step in their recovery from homelessness and social exclusion. Yet, accessing work can also be one of the hardest things to accomplish, because clients face many complex barriers when it comes to obtaining and maintaining employment.

In April 2019, we conducted a survey into our clients' employment needs and found that while the majority would like to work, very few did, due to challenges ranging from mental health needs, offending history and lack of skills/experience.

Our specialist employment support services in Bath, Bristol and Trowbridge support people through a broad spectrum of activities including work placements, help accessing training, education and volunteering opportunities, as well as providing tailored one-to-one employment support with active job search and preparation for work.

Last year, our specialist employment support services supported 234 people to gain confidence, skills and work experience as a pathway to employment.

#### **Refugees**

We continued our partnership with Bath Welcomes Refugees in providing resettlement opportunities in Bath for vulnerable Syrian Refugees. In December 2018 we welcomed two new Syrian refugee families and are now working with eight families in total, who cannot be supported effectively in their region of origin due to being at significant risk, in severe need of medical care and/or survivors of torture and violence.

#### **Social Enterprise**

Our social enterprises are run through our subsidiary company, Julian House Trading Limited. The social enterprises help to raise our profile with new audiences and diversify our income streams, as well as create training and work opportunities for homeless and socially excluded people.

Our four bike workshops in Bath, Bristol, Trowbridge and Exeter supported 168 clients to gain confidence, skills and work experience; generating in excess of £359k in social value (measured using the HACT calculator, a social value calculator).

In 2018-19, we continued to build our bike workshop brand as the professional, ethical choice, and developed a new website to better promote the unique social and environmental purpose.

In 2018-19 our bike workshops increased trading income by 16% on the previous year (£502k, compared to £433k). The financial results of our social enterprise are consolidated into the Julian House financial statements.

### TRUSTEES' REPORT For the year ended 31 March 2019

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#### **Volunteers**

We are a voluntary organisation at our core and last year there were more than two active volunteers for every employed member of staff.

In 2018-19, 340 volunteers contributed an incredible 30,662 hours to Julian House, across our projects in a range of roles, including as Nightstop hosts, befrienders, outreach assistants, counsellors, cooks, complementary therapists, gardeners, fundraisers, mechanics, administration support and shop assistants.

We are indebted to our volunteers who bring invaluable experience, fresh perspectives and enthusiasm to our work and help strengthen links to the communities we serve. Volunteers dramatically increase our overall capacity, representation, diversity and flexibility. In return, volunteers gain valuable experience, learn new skills, improve their health and well-being and have fun.

#### **Charity Shops**

We have seven charity shops across Bath, Trowbridge, Thornbury and Frome. Our Charity Shops give us a valuable presence on the high street and raise both unrestricted income and awareness about our work.

In common with the retail sector in general, Julian House experienced a challenging year. Despite this, we continued to grow our retail income to £589k (up from £552k in 2017-18) and generated an increased contribution over the previous year.

#### **Fundraising**

Fundraising is incredibly important to us, as it is the only way we are able to run many of our vital services. We are proud of our commitment to fair, honest and open fundraising and we do not engage in direct fundraising, use professional fundraisers or commercially contract with third parties to fundraise on our behalf. In Bristol, we fundraise under the name See Change, to avoid confusion with another Bristol charity; the Julian Trust. We received no complaints in relation to our fundraising activities last year. When working with volunteers who have chosen to fundraise for Julian House we ensure that they comply with appropriate guidelines and follow best practice.

In 2018-19 our small in-house fundraising and PR team succeeded in raising £566k (compared to £471k in 2017-18). We are grateful to the hundreds of people, companies and trusts who continue to support us. Our work would not be possible without them.

Christmas is a particularly crucial time for fundraising, bringing in tens of thousands of pounds each year. Last year we were once again grateful to the Bath Chronicle and our supporters for their unwavering support, helping us achieve a record-breaking year for our Christmas appeal, raising in excess of £136k for our projects and clients.

#### **Partnerships**

Working in partnership with organisations from our own and different sectors is an important way to achieve change and support the people who use our services. We have collaborated with a number of organisations in the past year and will continue to work with partners to effectively and imaginatively address the issue of homelessness and social exclusion in the communities where we work.

#### **Our staff**

We are committed to supporting and managing our staff well so they can provide excellent services, whilst maintaining their own well-being. In 2019 we were successfully re-accredited as an Investors in People employer, until 2020.

**TRUSTEES' REPORT**  
**For the year ended 31 March 2019**

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Each year we run a confidential staff survey and in March 2019:

- Staff told us they felt more valued, supported and appreciated, than in the previous year. More people said that they rarely get stressed at work, that their workload was reasonable and that they received useful feedback on how they were performing.
- 93% of staff said they believed in the aims of Julian House, 91% said they enjoyed the work they do, 85% said they were proud to work for Julian House and 82% said their line manager was a good person to work for.

The staff survey results were shared and discussed at an organisational level and new initiatives are planned for the coming year, to address issues raised by staff including improving internal communications, carrying out an external salary benchmarking exercise and establishing a network of Green Champions.

Staff resilience and well-being is a key priority. Building on work in the previous year, we completed our roll-out of regular externally facilitated reflective practice sessions for operational staff across the organisation. This ensures that all those who work with clients who have experienced adversity or trauma, have access to professional solution-focussed support to maintain their own psychological and emotional well-being and avoid vicarious trauma.

Last year, we delivered a comprehensive staff training calendar consisting of e-learning and extensive face-to-face training opportunities. We trained 91 staff to work in a more trauma-informed way. More than 400 e-learning courses were completed and there were over 650 attendances at training sessions.

133 staff nominations were received from colleagues for our annual staff awards presentation and eight employees were rewarded for their outstanding contribution to Julian House, as rated by their peers.

During the year, we experienced some exceptional spend on agency staffing costs. We have reviewed the use of agency with a view to minimising these substantially, whilst maintaining safe, well-run services.

Like many organisations in our sector we continue to experience significant recruitment challenges and a higher rate of voluntary staff turnover than we would like. Over the coming year we will work hard to set ourselves apart from other organisations and ensure that we become an employer of choice.

**Financial review**

The financial position of the charity is set out in the attached financial statements.

In 2018-19 Julian House's turnover was £5.3m (2017-18 £3.9m). The increase in turnover is due to contracted income received for new services (£960k) and rental charges from an increase of 58 housing units (£398k).

The result shows a deficit of £248k, compared with a surplus of £189k the previous year.

A number of factors contributed to the loss, the main ones being:

- Rapid growth in contracts and associated activity during the year resulted in an expensive use of agency in both client facing and administrative roles;
- Voids in acquired and new housing projects; and
- One off governance costs associated with converting to a company registered with the Charity Commission.

In spite of the financial challenges we continue to maintain a healthy reserves balance of £2.5m (2017-18 £2.6m).

## JULIAN HOUSE

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### TRUSTEES' REPORT

For the year ended 31 March 2019

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We have planned for a small surplus for 2019-20 and expect to be able to deliver this with a focus on the following:

- Better management of voids from regular reporting, developing referral pipelines in projects which have suffered the highest voids and ensure prompt and safe filling of voids;
- Pricing our contract bids to achieve a central overheads contribution which accurately reflects actual costs; and
- Staffing strategy which includes reducing turnover, increasing effective recruitment to replace turnover and fill new roles quickly and growing our pool of relief workers.

#### **Reserves Policy**

The Reserve Policy states that there should be sufficient reserves held in the Income and Expenditure Reserve to cover short term and long-term risks. The Trustees regularly review the level of this reserve to ensure that it is adequate and appropriate to meet the requirements of Julian House.

As at 31 March 2019 the total reserves are £2,452,292, of which £14,538 are restricted.

The income and expenditure reserves chiefly consists of properties held in order to undertake the work of Julian House. Julian House considers ownership of property as part of its strategy to ensure the charity remains sustainable and can support its objectives.

The Trustees, having reviewed the cashflow projections for the coming year are confident Julian House has sufficient funds to continue as a going concern, and to meet its objectives.

#### **Principle risks and uncertainties**

Like all organisations in our sector, we are facing unprecedented challenges and great uncertainty in our operating environment. We need to remain responsive to changing client needs and to fulfil the requirements and expectations of our supporters, commissioners and regulatory bodies, against a backdrop of increasing demand for our services, short-term funding limitations and ongoing reductions in funding. We need to exercise careful vigilance in the delivery of services for children, young people and adults at risk, and review our systems and processes against the highest governance and quality standards, to ensure they are safe and effective.

The Board has direct responsibility for overseeing the management of risk and regularly conducts a review of the major strategic, business and operational risks to which the organisation is exposed. There is a formal register which is updated on an ongoing basis and is formally presented to, and reviewed by, the Audit and Finance Sub-Committee and the Board twice a year.

The current top five risks are:

- Maintaining our high reputation in the sector
- Being an employer of choice that retains and rewards teams for effort
- Investing sufficiently in back office functions to ensure our organisation is robust and fit for future challenges
- Maintaining sufficient levels of cashflow and reserves to deliver effective services and invest for the future
- Keeping up to date with Health and Safety requirements

The key risks identified in our risk register are prioritised in terms of potential impact and likelihood of occurrence. We consider ways of mitigating the risks and identify a lead member of the Senior Management Team responsible for taking necessary actions. The Board recognises that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### TRUSTEES' REPORT

For the year ended 31 March 2019

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Julian House runs a quality audit programme for its operational services, to identify areas of good practice and highlight any improvements that are needed. The Client Services Sub-committee reviews these reports and monitors the execution of the recommendations.

Preparation of cashflow forecasts and budgets allow the Board and Senior Management Team to monitor the key business risks and financial objectives and identify variances arising during the monthly and quarterly reporting cycles.

A framework of key performance indicators and regular reporting to the Senior Management Team, sub-committees and ultimately the Board aims to ensure that any control issues are identified, and that corrective action is taken. Where serious control weaknesses were identified during the year, they have been addressed.

Further improvements to strengthen the risk management and internal control framework have been agreed for implementation in 2019-20.

#### **Risk Appetite**

We choose to reach out and support people with multiple needs, who lead complex lives, and who are the most excluded by society and other services. We have a high-risk appetite for the people we support and the services we provide. Our clients have complex and sometimes challenging behaviours. This brings inherent risk, which we mitigate by having a low-risk appetite in terms of compliance with legal and regulatory requirements and our internal policies and processes. We work in a rapidly changing environment where funding streams can be uncertain and changes in policy and public opinion can have a profound impact on our work. We mitigate this by having a low-risk appetite in terms of our financial sustainability. We expect to take risks, within the context of our risk appetite and our financial sustainability, in order to innovate, grow our services and achieve our vision, to build sustainable independent lives.

#### **Structure, governance and management**

Julian House is a registered company limited by guarantee in England and Wales (No. 11791952), a registered charity with the Charities Commission (No. 1183751), and a Registered Provider of Social Housing (No. L4549). Julian House is also the parent charity of Julian House Trading, which is a subsidiary company of Julian House.

The Trustees of Julian House constitute the directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the Charities Act 2011 and provide leadership, direction and control in pursuit of the organisation's charitable objectives.

Trustees usually serve for a term of three years with a possible re-appointment for a further two terms, each of three years.

New Trustees are recruited by open advertisement, based on an evaluation of the balance of diverse skills, knowledge and experience needed to govern Julian House. They receive an induction pack containing information about Julian House, its structure and operations, the Board and sub-committee structures, Trustee duties and responsibilities and the organisation's key policies. The organisational policy for Board Member Recruitment, Induction and Renewal was reviewed, updated and approved by Trustees this year.

Regular scheme visits and project briefings are arranged to enable Trustees to obtain a better understanding of Julian House's services and operating environment. A nominated staff representative provides feedback to the board. Trustees have opportunities to take part in quarterly organisational staff meetings and annual volunteer celebration events.

### TRUSTEES' REPORT

For the year ended 31 March 2019

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Trustees schedule an away day to consider the environment and plan strategic direction. The full board of Trustees meets five times a year to discuss strategy, to formulate policy and to oversee operational matters. The Board is supported by four standing sub-committees which consider specific areas of activity in greater detail on behalf of the Trustees and report to Trustees on key issues. The four sub-committees cover the areas of: Audit and Finance, Income Generation, Client Services and Governance. A fifth standing sub-committee for Back Office and Facilities is in the process of being established. Sub-committee membership may include co-optees who are not Trustees, but who have kindly agreed to contribute their knowledge and experience. Current co-optees are Marc Cuddihy (Audit and Finance), Julia Hilton (Back Office & Facilities) and Marek Koperski (Client Services).

The Board of Trustees have overview of senior management pay and terms and conditions.

The Board delegates day-to-day management of the organisation to the Chief Executive and Senior Management Team, through a documented delegated authority matrix. The Chief Executive is not a member of the company and has no legal status as Director although he acts as executive within the authority delegated by the Trustees. After seven years, as Chief Executive of Julian House, Peter Denning, stepped down from his role. Peter led the organisation through an exciting period of growth and development, whilst maintaining a focus on delivering high quality services to some of the most excluded and marginalised members of our society. We wish Peter every success for the future. The Board are delighted to welcome David McAuley into the Chief Executive role. David joins us with some great experience of working within the sector and with our client groups, having previously been the Chief Executive of the Trussell Trust and OPENHouse. He joins with great enthusiasm for our work.

#### Statement of Trustees Responsibilities

The Trustees (who are also directors of Julian House for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of Julian House's affairs and of its incoming resources and application of resources, including income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK 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 charitable company will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and which disclose with reasonable accuracy at any time Julian House's financial position and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Julian House and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**TRUSTEES' REPORT**  
**For the year ended 31 March 2019**

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In so far as the Trustees are aware:

- There is no relevant audit information of which Julian House's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of corporate and financial information included on Julian House's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Value for money**

Julian House is committed to achieving Value for Money (VfM) in everything it does. We see VfM as minimising the cost of our operations, without compromising the quality and effectiveness of our services, nor the advancement of our strategic aims.

Over the last year we have worked hard to embed a Value for Money culture more uniformly across the organisation, to yield more opportunities for improvement, investment and reward in the future. For example, we:

- Created a new in-house handyperson position to reduce the cost of outsourcing minor repairs and maintenance across our growing property portfolio
- Moved the majority of our technology services onto the Cloud to give us greater flexibility, scalability and to reduce our hardware costs
- Invested in a new rent and housing system to help reduce time spent on processing
- Carried out small-scale restructuring to absorb reductions in funding for specific projects
- Secured significant donations of goods and furniture from the general public and local businesses as well as pro—bono support
- Returned a social value of £350k (measured using the HACT calculator) from our mixed motive investment in social enterprise activities
- Implemented EPOS across our bike workshops to improve the efficiency and effectiveness of their trading activity
- Sustained a consistently low rate of staff sickness absence, at below sector averages
- Continually listened to staff, clients and volunteers and capitalised on their ideas for business improvement from translation, timesheets to parking.

In the coming year we intend to focus on work to improve our efficiency in key areas of voids, arrears, bad debt, agency staffing and voluntary staff turnover.

## JULIAN HOUSE

### TRUSTEES' REPORT For the year ended 31 March 2019

To comply with the Regulator of Social Housing's latest code of practice on value for money, as a registered provider we are required to publish our performance against a given set of key indicators which is shown below:

Metrics	Explanation	Julian House	2018 Supported Housing Specialist	2018 All Returns (median quartile)
Reinvestment %	Investment in properties as a percentage of total properties	0.8%	5.5%	6%
New supply delivered %	The number of new units as a percentage of all owned units	0%	0.9%	1.2%
Gearing %	Percentage of assets made up of debt finance (lower the better)	49.3%	17.3%	42.9%
EBITDA MRI Interest Cover %	Measure of surplus compared to interest payments (higher the better)	-177%	232%	206%
Headline social housing cost per unit	Measure of social housing cost per unit	£10,844	£8,930	£3,400
Operating Margin % A) Social Housing Letting B) Overall	Surplus divided by turnover for both social housing and overall	-13.8%  -4.2%	21.1%  5.5%	32.1%  28.9%
Return on capital employed%	Investment return on capital resources	-6.4%	2.8%	4.1%

Julian House is the registered provider of social housing within the Group, but with substantially fewer than 1,000 owned homes is classed as a "small provider". Julian House provides homes with additional support, exclusively housing homeless and socially excluded people, occasionally on assured shorthold tenancies but most commonly on licences.

Many of the above metrics are designed to enable comparisons between large social housing providers with significant loan book commitments and a high level of general needs social rented homes. We have included alongside the All Returns comparators the Supported Housing Specialist comparators as this provides a fairer comparison with our social housing model. The Board has reviewed the results and is satisfied that Julian House complies with the revised Code issued by the Regulator of Social Housing and that Julian House is delivering year on year improvements in the value for money it offers to its beneficiaries.

#### Compliance with the National Housing Federation Code of Governance

Julian House has adopted the National Housing Federation (NHF) Code of Governance. The Board has reviewed and confirmed compliance with all areas of the NHF Code.



**TRUSTEES' REPORT**  
**For the year ended 31 March 2019**

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**Compliance with the Governance and Financial Viability Standard**

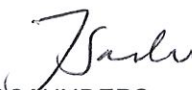
Julian House is a Registered Social Housing Provider and required by the Regulator of Social Housing, to certify compliance with the Governance and Financial Viability Standard. The Board has reviewed compliance with the standard and confirms that it complies in all material respects.

**Forward plans**

This year, we will be developing an ambitious new strategy that will shape our work for the next decade. Our goal is to further build and sustain our strength and capacity so that we can transform the lives of the people who use our services, now and in the future. In the short-term we plan to:

- Maintain our focus on delivering high quality; high impact services and continue to collaborate with a wide range of partners to achieve the best possible outcomes for our clients. We will also further develop our use of INForm (our client and service database) to promote good data and intelligence into the heart of our operations.
- Retain our strong service development focus, delivering what we are best at – supporting people who lead complex lives towards independence and social inclusion, across the supported housing and homelessness sector, meeting unmet need and delivering greater economies of scale within our existing geography.
- Address our staff recruitment and retention challenges, by creating an environment where people want to come to work, who have the skills and support to do a really great job, and know that their contribution is important and valued so they choose to stay with us.
- Support our social enterprises to be financially viable, growing their commercial success, whilst continuing to provide meaningful employment and training opportunities for our clients.
- Build our organisational resilience and cash reserves, develop a property strategy and strengthen back-office systems and infrastructure, to ensure our long-term sustainability.
- Increase our efforts to fundraise, finding new ways for people to support us, developing our high net worth, corporate fundraising and individual giving programmes, making our shops as profitable as possible and building greater awareness of our work across the South West.

Approved by the Board of Trustees on 18 September 2019 and signed on its behalf by

  
JOY SAUNDERS  
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JULIAN HOUSE**  
**For the year ended 31 March 2019**

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**Opinion**

We have audited the financial statements of Julian House (the 'Company') for the year ended 31 March 2019 which comprise the Consolidated and Parent Company Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated and the Parent Company Statement of Change in Reserves and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the consolidated and the Parent Company's affairs as at 31 March 2019, and the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2016, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JULIAN HOUSE**  
**For the year ended 31 March 2019**

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**Other information**

The board is responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- satisfactory system of control over transactions has not been maintained.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JULIAN HOUSE**  
**For the year ended 31 March 2019**

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**Responsibilities of the board**

As explained more fully in the board's responsibilities statement set out on page 12, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine 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, the board 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 the board either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**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 our 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

**Use of report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Gare (Senior Statutory Auditor)  
For and on behalf of MHA Monahans  
Statutory Auditors  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
BA14 8FA

18/09/19

## JULIAN HOUSE

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2019

<b>JULIAN HOUSE GROUP</b>	<b>Notes</b>	<b>2019</b>	<b>Memo</b>
		<b>£</b>	<b>2018</b>
			<b>£</b>
Turnover	2, 4	5,955,036	4,603,632
Operating expenditure		(6,236,847)	(4,484,445)
<b>Operating (deficit) / surplus</b>		<b>(281,811)</b>	<b>119,187</b>
Interest receivable and similar income	5	283	2,197
Interest payable and similar charges	6	(23,010)	(20,197)
<b>(Deficit) / Surplus on ordinary activities for the year before tax</b>		<b>(304,538)</b>	<b>101,187</b>
Taxation		-	-
<b>(Deficit) / Surplus for the year after tax and total comprehensive income</b>		<b>(304,538)</b>	<b>101,187</b>

Although the period of incorporation is less than 12 months, please see note 24 of the financial statements for information on how the activities of Julian House, a community benefit society, has been included in these financial statements.

## JULIAN HOUSE

### STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2019

JULIAN HOUSE	Notes	2019 £	Memo 2018 £
Turnover	2, 4	5,325,670	3,884,831
Operating expenditure		(5,551,788)	(3,678,654)
<b>Operating (deficit) / surplus</b>		<b>(226,118)</b>	<b>206,177</b>
Interest receivable and similar income	5	1,304	2,871
Interest payable and similar charges	6	(23,010)	(20,197)
<b>(Deficit) / Surplus on ordinary activities for the year before tax</b>		<b>(247,824)</b>	<b>188,851</b>
Taxation		-	-
<b>(Deficit) / Surplus for the year after tax and total comprehensive income</b>		<b>(247,824)</b>	<b>188,851</b>

Although the period of incorporation is less than 12 months, please see note 24 of the financial statements for information on how the activities of Julian House, a community benefit society, has been included in these financial statements.

**JULIAN HOUSE**

**BALANCE SHEET AND CONSOLIDATED BALANCE SHEET - company number 11791952**  
As at 31 March 2019

	Notes	Julian House Group		Julian House	
		2019 £	Memo 2018 £	2019 £	Memo 2018 £
<b>FIXED ASSETS</b>					
Social housing properties	10	1,332,078	1,340,499	1,332,078	1,340,499
Other tangible fixed assets	11	1,688,908	1,741,019	1,572,234	1,582,851
Investment in subsidiary	12	-	-	2	2
		<b>3,020,986</b>	<b>3,081,518</b>	<b>2,904,314</b>	<b>2,923,352</b>
<b>CURRENT ASSETS</b>					
Stocks	13	93,379	71,677	-	9,806
Debtors	14	460,375	824,863	881,403	1,196,367
Cash at bank and in hand		259,628	442,922	211,611	405,442
		<b>813,382</b>	<b>1,339,462</b>	<b>1,093,014</b>	<b>1,611,615</b>
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(491,039)</b>	<b>(882,428)</b>	<b>(461,347)</b>	<b>(860,477)</b>
<b>NET CURRENT ASSETS</b>		<b>322,343</b>	<b>457,034</b>	<b>631,667</b>	<b>751,138</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,343,329</b>	<b>3,538,552</b>	<b>3,535,981</b>	<b>3,674,490</b>
<b>CREDITORS: amounts falling due after one year</b>	16	<b>(804,666)</b>	<b>(781,722)</b>	<b>(804,666)</b>	<b>(781,722)</b>
<b>DEFINED BENEFIT PENSION LIABILITY</b>	22	<b>(86,371)</b>	-	<b>(86,371)</b>	-
<b>NET ASSETS</b>		<b>2,452,292</b>	<b>2,756,830</b>	<b>2,644,944</b>	<b>2,892,768</b>
<b>RESERVES</b>					
Called up share capital	18	-	10	-	10
Income and expenditure reserve	19	2,437,754	2,756,820	2,630,406	2,892,758
Restricted funds	20	14,538	-	14,538	-
<b>TOTAL RESERVES</b>		<b>2,452,292</b>	<b>2,756,830</b>	<b>2,644,944</b>	<b>2,892,768</b>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved and authorised for issue by the Board on 18/09/2019 and signed on their behalf by:

 JOY SAUNDERS, Chair

 BARRY HUGHES, Trustee

**JULIAN HOUSE**

**CONSOLIDATED STATEMENT OF CHANGE IN RESERVES**  
**For the year ended 31 March 2019**

	Restricted reserve	Called-up share capital	Income and Expenditure Reserve	Total
	£	£	£	£
At 1 April 2017	-	11	2,655,633	2,655,644
Surplus for the year	-	-	101,187	101,187
Total comprehensive income	-	-	101,187	101,187
Share capital issued	-	1	-	1
Share capital redeemed	-	(2)	-	(2)
At 31 March 2018 and 1 April 2018	-	10	2,756,820	2,756,830
Surplus for the year	-	-	(304,538)	(304,538)
Total comprehensive income	-	-	(304,538)	(304,538)
Share capital redeemed on conversion to charitable company	-	(10)	10	-
Transfers	14,538	-	(14,538)	-
At 31 March 2019	14,538	-	2,437,754	2,452,292



**JULIAN HOUSE**

**STATEMENT OF CHANGE IN RESERVES**  
**For the year ended 31 March 2019**

	Restricted reserve	Called-up share capital	Income and Expenditure Reserve	Total
	£	£	£	£
At 1 April 2017	-	11	2,703,907	2,703,918
Surplus for the year	-	-	188,851	188,851
Total comprehensive income	-	-	188,851	188,851
Share capital issued	-	1	-	1
Share capital redeemed	-	(2)	-	(2)
At 31 March 2018 and 1 April 2018	-	10	2,892,758	2,892,768
Surplus for the year	-	-	(247,824)	(247,824)
Total comprehensive income	-	-	(247,824)	(247,824)
Share capital redeemed on conversion to charitable company	-	(10)	10	-
Transfers	14,538	-	(14,538)	-
At 31 March 2019	<b>14,538</b>	-	<b>2,630,406</b>	<b>2,644,944</b>

JULIAN HOUSE

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2019

	Note	2019 £	<i>Memo</i> 2018 £
<b>Cash flow from operating activities</b>	<b>21</b>	<b>(92,370)</b>	<b>128,593</b>
<b>Cash flow from investing activities</b>			
Payments to acquire social housing property	10	(10,385)	(244,184)
Payments to acquire of tangible fixed assets	11	(163,671)	(224,191)
Receipts from sales of tangible fixed assets		1,749	7,628
Interest received		283	2,197
<b>Net cash used in investing activities</b>		<b>(172,024)</b>	<b>(458,550)</b>
<b>Cash flow from financing activities</b>			
Repayments of borrowing		(56,890)	(50,855)
Cash inflow from new borrowing		161,000	-
Share movement		-	(1)
Interest paid		(23,010)	(20,197)
<b>Net cash provided by / (used in) financing activities</b>		<b>81,100</b>	<b>(71,053)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(183,294)</b>	<b>(401,010)</b>
Cash and cash equivalents at 1 April 2018		442,922	843,932
Cash and cash equivalents at 31 March 2019		<b>259,628</b>	<b>442,922</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand			
Cash and cash equivalents at 31 March 2019		<b>259,628</b>	<b>442,922</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

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**1. ACCOUNTING POLICIES**

***(a) General information and basis of preparation of financial statements***

Julian House is a charitable company and a private registered provider of social housing in the United Kingdom. During the year all the assets and liabilities of the former Community Benefit Society Julian House, which was a registered society under the Co-operative and Community Benefit Societies Act 2014, registered number 19305R, were transferred over to this new charitable company, company number 11791952, which was set up on 28 January 2019. The address of the Company is given in the reference and administrative details on page 1 of these financial statements and the nature of the Company's operations and principal activities are provided within the Trustees' Report.

Julian House constitutes a public benefit entity as defined by the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014 (SORP), and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008, the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared on a merger accounting basis in line with Section 9 of the SORP on the basis that although the legal form of the Company has changed, the purposes and beneficiary class of the Company remain unchanged.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the organisation and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

***(b) Group financial statements***

These group financial statements consolidate the results of the Company and its wholly-owned subsidiary Julian House Trading Limited, both of which make up their financial statements to 31 March. The results of the subsidiary are consolidated on a line by line basis.

***(c) Tangible fixed assets***

Tangible fixed assets (including social housing properties) are stated at cost (or deemed cost). Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

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Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Not Depreciated
Non-housing freehold buildings	Over 50 years
Leasehold land and buildings	Over 25 years
Motor vehicles	Over 5 years
Fixtures and fittings	Over 5 years
IT equipment	Over 3 years

Housing properties are divided into the major components and charged depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life. The group depreciates the major components of its housing properties at the following annual rates.

Land	Not Depreciated
Main fabric	Over 100 years
Roof structure	Over 70 years
Kitchens	Over 20 years
Bathrooms	Over 30 years
Windows and doors	Over 25 years
Mechanical systems	Over 30 years
Gas boilers	Over 15 years
Electrics	Over 40 years

Annually, housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the property's carrying amount to its recoverable amount. Where the carrying amount of a property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a property is currently deemed not to be providing service potential to the Company, its recoverable amount is its fair value less costs to sell.

***(d) Investments***

Investments in subsidiaries are measured at cost less impairment.

***(e) Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Last year donated second hand goods are estimated at the value of 1 weeks sales. This year we have taken a prudent view and estimated the value at nil.

***(f) Debtors and creditors receivable / payable within one year***

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

***(g) Loans and borrowings***

Loans and borrowings are initially recognised at the transaction price including transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

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***(h) Leases***

Rentals payable and receivable under operating leases are charged on a straight line basis over the period of the lease.

***(i) Tax***

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

The activities of the Company are partially exempt from VAT. Irrecoverable VAT which can be attributed to a capital item or operating expenditure is added to the cost of the capital item or expenses were practicable and material.

***(j) Turnover and other income***

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and Homes England (formerly the Homes and Communities Agency) and other income from trading.

Government grants are received in respect of purchasing fixed assets. These grants are recognised at the fair value of the asset received or receivable. The assets are accounted for using the cost model and the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

Grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the organisation recognises the related costs for which the grant is intended to compensate. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

Other income streams are recognised when the Company is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. More detail on specific elements of other income streams are provided below.

For donations to be recognised the Company will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Company and it is probable that they will be fulfilled. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

No amount is included in the financial statements for the volunteer time of friends in line with the principles of the Charities SORP (FRS 102), although the Company is not required to follow the Charities SORP.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

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Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Company has control over the item. Fair value is determined on the basis of the value of the gift to the Company. For example the amount the Company would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

For legacies, entitlement is the earlier of the Company being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Company however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed as a note.

Income from fundraising events and trading activities to raise funds for the Company is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised using the effective interest method. Any associated income tax recoverable is recognised at the same time as interest income is receivable.

**(k) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**(l) Employee benefits**

When employees have rendered a service to Julian House, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Julian House operates defined contribution plans for the benefit of its employees. Contributions are expensed as they become payable.

Julian House also participates in the Social Housing Pension Scheme (SHPS), which is a funded multi-employer defined benefit scheme. It has become possible to identify the share of underlying assets and liabilities belonging to individual participating employers as at 31 March 2019 and the scheme is now accounted for as defined benefit plan for the benefit of its employees. No new benefits have been introduced and there is no change to the benefits themselves.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

A liability for Julian House's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHPS, and the net defined benefit deficit for SHPS, has been recognised in other comprehensive income (OCI). This accounting policy change has been accounted for in accordance with FRED 71: Draft Amendments to FRS 102: Multi-employer defined benefit plans as a matter of best practice. FRED 71 is an exposure draft and has not yet been implemented into financial reporting standards.

Further details of the SHPS and its assumptions are included in note 22.

**(m) Restricted reserves**

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate.

**(n) Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Company to be able to continue as a going concern.

**(o) Judgements and key sources of estimation uncertainty**

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include obligations under defined benefit pension schemes (see note 22) and the split and useful lives of components of social housing and other fixed assets (see notes 10 and 11).

<b>2. SOCIAL HOUSING TURNOVER AND COSTS (JULIAN HOUSE AND GROUP)</b>	<b>2019</b>	<i>Memo</i> <b>2018</b>
	<b>£</b>	<b>£</b>
Rent receivable after voids but excluding service charges	<b>1,569,508</b>	<i>1,106,910</i>
Service charges receivable	<b>79,018</b>	<i>49,382</i>
Revenue grants receivable	<b>1,124,492</b>	<i>490,642</i>
Social Housing activity expenditure	<b>(3,000,755)</b>	<i>(1,586,333)</i>
Operating surplus / (deficit) from social housing activities	<b><u>(227,737)</u></b>	<i><u>60,601</u></i>
Rent losses from voids	<b><u>(277,938)</u></b>	<i><u>(76,841)</u></i>

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

#### 3. ACCOMODATION OWNED AND IN MANAGEMENT

	2019 Property Units	Memo 2018 Property Units
Supported Housing	<u>183</u>	<u>131</u>

#### 4. INCOME FROM NON SOCIAL HOUSING ACTIVITIES

	Memo Julian House Group		Memo Julian House	
	2019	2018	2019	2018
	£	£	£	£
Other contracted income	1,193,109	898,052	1,193,109	898,052
Fundraising and donations	826,608	748,965	699,331	549,998
Legacies	34,525	217,785	34,525	217,785
Charity shops	588,735	552,267	588,735	552,267
Julian House Trading	491,126	515,065	-	-
Other	47,915	24,564	36,952	19,795
	<u>3,182,018</u>	<u>2,956,698</u>	<u>2,552,652</u>	<u>2,237,897</u>

Other income for 2019 includes a £46,817 donation representing the net assets of CHA acquired during the year as detailed in note 25 to the financial statements.

#### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Memo Julian House Group		Memo Julian House	
	2019	2018	2019	2018
	£	£	£	£
Bank interest receivable	283	2,197	283	2,197
Intercompany loan interest receivable	-	-	1,021	674
	<u>283</u>	<u>2,197</u>	<u>1,304</u>	<u>2,871</u>

#### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Memo Julian House Group		Memo Julian House	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	23,010	18,971	23,010	18,971
Pension interest charge	-	1,226	-	1,226
	<u>23,010</u>	<u>20,197</u>	<u>23,010</u>	<u>20,197</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**7. SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES**

	Memo		Memo	
	Julian House Group		Julian House	
	2019	2018	2019	2018
	£	£	£	£
The operating (deficit) / surplus is arrived at after charging:				
Depreciation - other fixed assets	210,557	186,191	165,251	174,268
Deprecation - social housing properties	18,806	15,927	18,806	15,927
Loss on disposal of fixed assets	3,476	6,635	-	-
Auditors remuneration - audit fee	18,686	12,400	16,886	10,600
Movement in pension deficit liability	-	(1,249)	-	(1,249)

**8. BOARD AND KEY MANAGEMENT PERSONNEL REMUNERATION**

The key management includes the trustees of Julian House, the non-executive directors of Julian House Trading Ltd and senior management team as detailed on page 1.

Total remuneration (including employer national insurance and employer pension contributions) for key management personnel of the Company and the Group amounted to £365,101 (2018: £316,503).

No remuneration was received by trustees and non-executive board members.

The highest paid director received £70,207 (2018: £63,677) remuneration (excluding pension contributions).

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contribution to an individual pension arrangement for the Chief Executive.

During the year one trustee received reimbursement of expenses totalling £118 (2018: £nil).

**9. STAFF NUMBERS AND COSTS**

	Memo		Memo	
	Julian House Group		Julian House	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	3,109,798	2,366,294	2,805,712	1,951,606
Social security costs	241,853	178,438	220,298	151,582
Pension costs	106,121	39,466	99,997	35,146
Pension deficit liability admin costs	-	1,870	-	1,870
	<b>3,457,772</b>	<b>2,586,068</b>	<b>3,126,007</b>	<b>2,140,204</b>

The average weekly number of employees, including members of the management team, calculated on a full time equivalent basis was 125 (2018 :104).

The average weekly number of actual employees, including members of the management team, was 163 (2018 :127).

## JULIAN HOUSE

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

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One employee received remuneration in the £70,000 to £80,000 (2018: £60,000 to £70,000) band. No other employee received remuneration over £60,000.

During the year total redundancy and severance payments of £52,106 (2018: £28,000) were made in Julian House and £856 (2018: £9,904) in Julian House Trading.

#### 10. SOCIAL HOUSING PROPERTIES

##### JULIAN HOUSE AND JULIAN HOUSE GROUP

	Freehold property £
<b>Cost</b>	
At 1 April 2018	1,444,472
Additions	10,385
At 31 March 2019	<u>1,454,857</u>
<b>Depreciation</b>	
At 1 April 2018	103,973
Charge for the year	18,806
At 31 March 2019	<u>122,779</u>
<b>Net book value</b>	
At 31 March 2019	<u>1,332,078</u>
At 31 March 2018	<u>1,340,499</u>

Social housing properties with a net book value of £1,332,078 (2018: £1,340,499) have been pledged as security for liabilities of the Company. These assets have restricted title.

Included within freehold property is land totalling £294,615 (2018: £294,615) which is not depreciated.

**JULIAN HOUSE**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**11. OTHER TANGIBLE FIXED ASSETS**

**JULIAN HOUSE GROUP**

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures fittings and equipment £	Total £
<b>Cost</b>					
At 1 April 2018	1,328,404	738,773	32,731	579,991	2,679,899
Additions	9,000	9,792	1,200	143,679	163,671
Disposals	-	-	(18,440)	-	(18,440)
At 31 March 2019	<u>1,337,404</u>	<u>748,565</u>	<u>15,491</u>	<u>723,670</u>	<u>2,825,130</u>
<b>Depreciation</b>					
At 1 April 2018	309,970	280,780	15,650	332,480	938,880
Charge for the year	38,216	68,502	4,954	98,885	210,557
On disposals	-	-	(13,215)	-	(13,215)
At 31 March 2019	<u>348,186</u>	<u>349,282</u>	<u>7,389</u>	<u>431,365</u>	<u>1,136,222</u>
<b>Net book value</b>					
At 31 March 2019	<u>989,218</u>	<u>399,283</u>	<u>8,102</u>	<u>292,305</u>	<u>1,688,908</u>
At 31 March 2018	<u>1,018,434</u>	<u>457,993</u>	<u>17,081</u>	<u>247,511</u>	<u>1,741,019</u>

**JULIAN HOUSE**

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures fittings and equipment £	Total £
<b>Cost</b>					
At 1 April 2018	1,328,404	596,633	2,345	461,862	2,389,244
Additions	9,000	6,180	-	139,454	154,634
At 31 March 2019	<u>1,337,404</u>	<u>602,813</u>	<u>2,345</u>	<u>601,316</u>	<u>2,543,878</u>
<b>Depreciation</b>					
At 1 April 2018	309,970	215,073	-	281,350	806,393
Charge for the year	38,216	52,948	2,345	71,742	165,251
On disposals	-	-	-	-	-
At 31 March 2019	<u>348,186</u>	<u>268,021</u>	<u>2,345</u>	<u>353,092</u>	<u>971,644</u>
<b>Net book value</b>					
At 31 March 2019	<u>989,218</u>	<u>334,792</u>	<u>-</u>	<u>248,224</u>	<u>1,572,234</u>
At 31 March 2018	<u>1,018,434</u>	<u>381,560</u>	<u>2,345</u>	<u>180,512</u>	<u>1,582,851</u>

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

#### 12. INVESTMENT IN SUBSIDIARY

As required by statute, the financial statements consolidate the results of Julian House Trading Limited, which is a company registered in the United Kingdom, and which is a wholly owned subsidiary of the Company. The Company has the right to appoint members to the boards of the subsidiary and thereby exercises control over it. Julian House is the ultimate parent undertaking.

	Memo Julian House	
	2019	2018
	£	£
Shares in Julian House Trading Limited	<u>£ 2</u>	<u>£ 2</u>

At the year end, the aggregate capital and reserves of the company amounted to minus £192,651 (2018: minus £135,937) and loss for the year amounted to £56,714 (2018: loss of £87,664).

#### 13. STOCK

	Memo Julian House Group		Memo Julian House	
	2019	2018	2019	2018
	£	£	£	£
Retail stock	<u>93,379</u>	<u>71,677</u>	<u>-</u>	<u>9,806</u>

#### 14. DEBTORS

	Memo Julian House Group		Memo Julian House	
	2019	2018	2019	2018
	£	£	£	£
<b>Due within one year</b>				
Trade debtors (gross social housing rent arrears)	224,191	89,921	224,191	89,921
Less: provision for doubtful debt	(54,630)	(15,771)	(54,630)	(15,771)
Trade debtors (others)	69,010	566,236	64,016	559,305
Amounts owed by group undertakings	-	-	65,850	64,850
VAT debtor	-	799	-	3,561
Prepayments and accrued income	126,716	121,019	111,946	101,277
Other debtors	95,088	62,659	95,766	61,273
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	374,264	331,951
	<u>460,375</u>	<u>824,863</u>	<u>881,403</u>	<u>1,196,367</u>

Amounts owed by group undertakings include formal intercompany loans totalling £148,799 on which interest is charged at Bank of England base rate.

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

#### 15. CREDITORS

	Memo		Memo	
	Julian House Group		Julian House	
	2019	2018	2019	2018
	£	£	£	£
<b>Due within one year</b>				
Bank loans	63,048	55,195	63,048	55,195
Trade creditors	150,325	64,870	124,311	54,234
Other taxation and social security	66,947	45,118	66,947	45,118
VAT liability	918	-	4,888	-
Other creditors	36,930	35,933	35,859	35,933
Accruals and deferred income	172,871	668,254	166,294	656,939
Pensions liability	-	13,058	-	13,058
	<b>491,039</b>	<b>882,428</b>	<b>461,347</b>	<b>860,477</b>

#### 16. CREDITORS

	Memo		Memo	
	Julian House Group		Julian House	
	2019	2018	2019	2018
	£	£	£	£
<b>Due after more than one year</b>				
Bank loans	804,666	708,409	804,666	708,409
Pension liability	-	73,313	-	73,313
	<b>804,666</b>	<b>781,722</b>	<b>804,666</b>	<b>781,722</b>

Julian House has four mortgages, three with Triodos bank and one with Bank of Scotland. Bank loans / mortgages are secured by fixed charges on individual properties.

The mortgages are repayable monthly and interest is payable at 2.25% above base rate for two of the Triodos mortgages (with a minimum rate of 2.5%), 3% above base rate (with a minimum rate of 3%) for one of the Triodos mortgages and 1.3% above base rate for the Bank of Scotland mortgage.

The mortgages include aggregate amounts of £535,395 (2018: £473,790) which fall due in more than five years and which are payable by instalments.

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

#### 17. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Memo		Memo	
	Julian House Group		Julian House	
	2019	2018	2019	2018
	£	£	£	£
Not later than one year	325,361	305,842	277,607	254,331
Later than one and not later than five years	69,179	352,091	49,179	296,713
Later than five years	16,433	16,917	16,433	16,917
	<u>410,973</u>	<u>674,850</u>	<u>343,219</u>	<u>567,961</u>

Julian House has several properties which they occupy for the duration of the associated contracted income. No commitment has been quantified for these properties on the basis that if the contracts were terminated then occupation of the properties would cease immediately. No commitment has been included either for any properties held on tenancies at will.

#### 18. SHARE CAPITAL

Ordinary shares of £1 each	Number	£
Allotted called up and fully paid		
At 1 April 2018	10	10
Redeemed during the year	(10)	(10)
At 31 March 2019	<u>-</u>	<u>-</u>

Following the conversion of Julian House from a society registered under the Co-operative and Communities Benefit Act 2014 to an incorporated charity, the share capital of the Company ceased to exist and all shares were redeemed. Previously shares in Julian House were neither redeemable nor transferable, carried no right to interest, dividend or bonus, and did not entitle the owner to participate in the society's assets other than to the extent of the nominal value. Each member held one share only in Julian House.

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

#### 19. INCOME AND EXPENDITURE RESERVE

This represents cumulative surplus and deficits net of other adjustments.

##### Income and Expenditure Reserve

	Julian House Group £	Julian House £
At 1 April 2018	2,756,820	2,892,758
Total income (turnover and bank interest)	5,955,319	5,326,974
Total expenditure (operating expenditure and interest payable)	(6,259,857)	(5,574,798)
Transfer of shares capital to reserves following conversion to a charitable company	10	10
Transfers to restricted reserve	(14,538)	(14,538)
Reserves Carried forward	<u>2,437,754</u>	<u>2,630,406</u>

#### 20. RESTRICTED RESERVES

Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate. Details of any restricted income received and spent in the year and unspent at the year end are provided below:

##### Julian House and Julian House Group

There were restricted funds of £14,538 to carry forward at the year end date. Details of restricted monies received and spent in the year are as follows:

##### Year ended 31 March 2019

	Received in year £	Spent in year £	Net in year movement £
Freedom Grant	18,000	(18,000)	-
Outreach female mental health worker	30,000	(30,000)	-
Children and Young Persons	40,772	(40,772)	-
Womens' Early Intervention Worker	4,250	(4,250)	-
Julian House Trading	119,973	(119,973)	-
Hospital Release Fund (CHA)	15,000	(462)	14,538
	<u>227,995</u>	<u>(213,457)</u>	<u>14,538</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2019

**Year ended 31 March 2018**

	<i>Received in year £</i>	<i>Spent in year £</i>	<i>Net in year movement £</i>
Refuge	10,000	(10,000)	-
Outreach female mental health worker	23,805	(23,805)	-
Dry house	15,000	(15,000)	-
Julian House Trading	4,629	(4,629)	-
	<u>53,434</u>	<u>(53,434)</u>	-

**Restricted reserve descriptions**

**Freedom Grant**

An educative group programme enabling women to identify abusive and controlling behaviours, and improve their confidence, self-esteem, and well-being, to help break the cycle of abuse.

**Outreach female mental health worker**

A Specialist Female Support Worker who is the consistent support for women during their journey from rough sleeping and throughout their stay in the hostel in order to successfully maintain mixed gender hostel life, addresses complex issues such as substance misuse, offending, mental health, domestic abuse and sexual exploitation with the ultimate aim of supportively moving on and achieving their potential.

**Children and Young Persons**

This funding was given to provide specialist group support and one-to-one interventions for children and young people who have experienced domestic abuse at home and/or in their own relationships; aiming to improve their resilience, well being and relationships with their families and carers.

**Womens' Early Intervention Worker**

A specialist women's early intervention worker to provide wrap-around support to prevent vulnerable women from becoming homeless, while also providing rapid assistance to women sleeping rough so that their situation does not become entrenched.

**Julian House Trading**

Julian House has a wholly owned subsidiary, Julian House Trading (JHT), registered company number 3450273. JHT's mission is to operate viable social enterprises which provide quality skills development opportunities, work experience placements, employment support and jobs for socially excluded people, to further the objectives of Julian House. JHT's existing social enterprises are in Bath, Bristol, Trowbridge and Exeter.

**Hospital Release Fund**

This fund was taken on through the merger with CHA. The purpose of the fund is to facilitate swift access to appropriate accommodation following hospital discharge.

**Refuge**

To provide a total of units of Refuge accommodation with Enhanced Housing Management support in B&NES for clients (women and men) affected by domestic abuse who may also have additional needs.



## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

#### Dry house

St Vincent is a total abstinence supported housing project that accepts individuals that have had very complicated and troubled pasts as a result of substance misuse. Having experienced more difficulties and troubles than many of us can comprehend, they have made the conscious decision to turn their lives around and put their addiction behind them. We offer them a home and structured support programme for two years to help them start again.

#### 21. RECONCILIATION OF OPERATING (DEFICIT) / SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	Memo £
<b>JULIAN HOUSE GROUP</b>		
(Deficit) / surplus for the year	<b>(304,538)</b>	101,187
Depreciation charges	<b>229,363</b>	202,118
Interest receivable	<b>(283)</b>	(2,197)
Interest payable	<b>23,010</b>	20,197
Loss on disposal of fixed assets	<b>3,476</b>	6,635
Decrease / (increase) in stock	<b>(21,702)</b>	(1,408)
Decrease / (increase) in debtors	<b>364,488</b>	(132,105)
Increase / (decrease) in creditors	<b>(386,184)</b>	(65,834)
	<b><u>(92,370)</u></b>	<b><u>128,593</u></b>

#### 22. PENSION COMMITMENTS

##### Social Housing Pension Scheme

##### Year ended 31 March 2019

As noted within the accounting policies, Julian House participates in the Social Housing Pension Scheme (SHPS), which is a funded multi-employer defined benefit scheme. It has become possible to identify the share of underlying assets and liabilities belonging to individual participating employers as at 31 March 2019 and the scheme is now accounted for as defined benefit plan for the benefit of its employees.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. On the basis that the difference between the deficit funding agreement liability social landlords historically recognised for SHPS of £86,371, and the net defined benefit deficit for SHPS of £87,000 is not material at £629, no adjustment has been made to this liability within the financial statements. It has however been reclassified from creditors to a defined benefit pension liability.

## JULIAN HOUSE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

Amounts recognised in the Balance Sheet at 31 March 2019

	£
Present value of funded obligations	325,000
Fair value of plan assets	(412,000)
Difference not adjusted for within the financial statements	629
Deficit	<u>(86,371)</u>

As this is the first year of converting from reflecting a pension deficit contributions liability for a scheme treated as a defined contribution scheme to a defined benefit scheme pension liability, full FRS 102 disclosure is not deemed appropriate.

#### **Key assumptions**

	2019 % per annum	2018 % per annum
Discount rate	2.10	2.40
Inflation (RPI)	3.30	3.15
Inflation (CPI)	2.30	2.15
Salary Growth	3.30	3.15
	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies

#### Life expectancy at age 65 (Years)

Male retiring in 2019	21.80
Female retiring in 2019	23.50
Male retiring in 2039	23.20
Female retiring in 2039	24.70

#### Year ended 31 March 2018

In the year ended 31 March 2018 it was not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounted for the scheme as a defined contribution scheme.

Where the scheme was in deficit and where the Association has agreed to a deficit funding arrangement, the Company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value was calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

	2018 £
<b><i>Reconciliation of opening and closing liability</i></b>	
Opening liability	98,979
Unwinding of the discount factor (interest expense)	1,226
Deficit contribution paid	(12,585)
Remeasurements - impact of any change in assumptions	(1,249)
Remeasurements - amendments to the contributions schedule	-
Closing liability	86,371

***Assumptions***

	Percentage per annum		
	31-Mar-18	31-Mar-17	31-Mar-16
Rate of discount	1.72	1.33	2.06

The discount rates shown above were the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**The Pensions Trust Growth Plan**

Julian House also participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

No deficit contributions are payable by Julian House in respect of this scheme, and therefore no liability in respect of deficit contributions is required.

**23. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemptions afforded by Financial Reporting Standard FRS 102 and not disclosed transactions with group undertakings. Any such transactions are eliminated on consolidation.

The trustee, Matthew Graham, is also a partner of Mowbray Woodwards solicitors. During the year purchases totalling £934 (2018: £2,154) and £3,382 (2018: £nil) were from Mowbray Woodwards by Julian House and Julian House Trading respectively. Donations and fundraising income totalling £nil (2018: £780) were also received from Mowbray Woodwards by Julian House.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

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Sue Porto, a trustee of Julian House from February 2017 until June 2018, is the chief executive of St John's Foundation. During the prior year grants totalling £23,805 and £13,490 were received by Julian House and Julian House Trading respectively. At the prior year end date further grants totalling £29,973 received from St John's Foundation by Julian House were included in deferred income. Transactions with St John's Foundation have during the year ended 31 March 2019 have not been reported on the basis that Sue Porto was not a trustee during this period.

All our business is conducted on an arm's length basis.

**24. MERGER ACCOUNTING**

Julian House was incorporated on 28 January 2019 in order that a community benefit society with the same name could change its legal structure. Although the new company started trading in 2019, the principles of merger accounting have been applied and the results of the combined organisations for the whole year in which the merger occurred have been combined as if they were always one entity. The comparative column is for the old community benefit society and is for memorandum purposes only.

**25. BUSINESS COMBINATIONS**

On 1 July the assets and liabilities of Community Housing Aid (CHA), registered charity number 1071945, were transferred to Julian House. The adjusted assets and liabilities recognised in the financial statements of Julian House under the acquisition method of accounting are as follows:

	£
Fixed assets	13,893
Debtors	25,154
Bank and cash	116,378
Creditors	<u>(70,086)</u>
Net assets	<u><u>85,339</u></u>

CHA's projects, funding and staff were also transferred to Julian House. CHA will be wound up over time. An amount equivalent to the net assets acquired has been included in income of Julian House. Some of this income is shown as other in note 4 and the rest is included in other contracted income. (See note 4 Income from non social housing activities).

**26. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party of the charitable company.