

Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 March 2019
for
Julian House Trading Limited

Julian House Trading Limited

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for the Year Ended 31 March 2019

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Julian House Trading Limited
Company Information
for the Year Ended 31 March 2019

DIRECTORS: David McDonald (Chair)
Philip Addis (resigned 7 September 2019)
Helen Bedser
Peter Denning (resigned 31 January 2019)
Kirsty Eastham (appointed 8 August 2019)
Catherine Hallam
Barry Hughes (appointed 13 September 2018 and resigned
8 August 2019)
Nigel Roberts (resigned 21 May 2018)
Chris Stockham (appointed 8 August 2019)

SECRETARY: Helene Law (resigned 22 October 2018)
Patricia Keen (appointed 22 October 2018)

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

REGISTERED NUMBER: 03450273 (England and Wales)

Julian House Trading Limited
Report of the Directors
for the Year Ended 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

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

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

Julian House Trading Limited operates four bike workshops located in Bath, Bristol, Trowbridge and Exeter. Their current activities are:

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

Julian House Trading Limited's vision is shared with Julian House:

- A just society where socially excluded people are supported and empowered to build sustainable, independent lives.

Julian House Trading Limited's values are shared with Julian House:

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

Julian House Trading Limited's strategic aims are:

1. To provide positive opportunities for socially excluded people to improve their skills, gain work experience and achieve their employment goals
2. To support our social enterprises to be financially strong; using our resources effectively, spending money wisely, attracting sales, fundraised and contract income
3. To provide good quality, value for money products and services which exceed the expectations of our customers

REVIEW OF BUSINESS

Performance and achievements

Turnover for 2018-19 includes income from bike workshops, grant income, social value and other sales. Turnover has decreased by £107k compared to the prior year, which is mainly due to the loss of income generated by the Aspire property maintenance service which was closed during 2017-18.

In 2018-19 the bike workshop sales income exceeded budgeted expectations by 1%. Year on year this trading income has increased, last year being £433k compared to £502k in 2018-19. The loss for the year was £56,714 (compared to a loss of £87,664 in the previous year), reflecting a continuing positive trajectory.

Last year Julian House Trading Limited's bike workshops continued to help Julian House to raise their profile with new audiences and diversify their income streams, as well as by creating significant social value through training and skills for homeless and socially excluded people, alongside wider environmental benefits through recycling, reduced waste and the promotion of sustainable travel.

Julian House Trading Limited
Report of the Directors
for the Year Ended 31 March 2019

During the year, Julian House Trading Limited has made positive progress against its strategic aims:

1. To provide positive opportunities for socially excluded people to improve their skills, gain work experience and achieve their employment goals:
 - Generated £359k in social value (measured using the HACT calculator, a social value calculator) through employment and training outcomes
 - 168 socially excluded people benefited from employment support, build-a-bike courses and work placements
 - 15 socially excluded people supported to gain paid employment
 - 72 build-a-bike courses delivered
 - 153 socially excluded peoples attended our AQA (Assessment and Qualifications Alliance) courses
 - Extended our build-a-bike courses to Basingstoke for rough sleeping clients and continued to provide build-a-bike courses for excluded pupils in Frome, Somerset
2. To support our social enterprises to be financially strong; using our resources effectively, spending money wisely, attracting sales, fundraising and contract income:
 - In excess of 1,000 donated bikes were refurbished and sold
 - Secured Comic Relief grant to invest in long-term sustainability
 - Relaunched our website www.jhbikeworkshop.org
 - Embedded Cybertill EPOS system across our bike workshops
 - Introduced a new range of well-regarded and characterful bike brands, including Kona, Orbea, Saracen, Ridgeback and Squish
 - Expanded Cyclescheme options in all shops
3. To provide good quality, value for money products and services which exceed the expectations of our customers:
 - 1,767 customer bikes were serviced through our Bronze, Silver and Gold service packages
 - Achieved 5.0 star Google rating for Exeter Bike Workshop, 4.9 for Bath Bike Workshop, 4.7 for Trowbridge Bike Workshop and 4.5 for Bristol Bike Workshop
 - Continued to ensure that bike workshop staff are qualified to at least Cytech level 2
 - Grew our Twitter followers @JHbikeworkshop by 32% (574 up from 436 last year), 135 Instagram followers and 303 Facebook followers
 - Installed new signage and improved lighting in our stores

FUTURE PLANS

Our future plans reflect our goal to return a profit to Julian House in the next three years, while sustaining our employability programmes and wider social and environmental impact, and to ultimately no longer be reliant on charitable grants. Looking forward, future plans will:

- Continue to enhance public perception of our bike workshops and to be more widely recognised, as the professional, ethical choice.
- Increase our efforts to make the bike workshops profitable, increasing our margins, productivity and sales, and using Cybertill to deliver intelligence into the heart of our operations.
- Grow our loyal customer base of families, commuters and hobbyist cyclists who appreciate our social purpose and association with Julian House, and trust us with all their cycling and repair needs.
- Retain our strong focus on creating meaningful opportunities for homeless and socially excluded people to train, gain confidence, skills and work experience, and progress towards education, employment and training.
- Continue to develop, support and value our committed team of staff and volunteers; building upon their skills and professionalism to deliver our strategy.

Going concern

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Julian House Trading Limited

Report of the Directors
for the Year Ended 31 March 2019

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

ON BEHALF OF THE BOARD:



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Patricia Keen - Secretary

Date: 17/09/19

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

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Julian House Trading Limited for the year ended 31 March 2019 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

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

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

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

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

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

Date: *01/10/19*.....

Julian House Trading Limited

Income Statement
for the Year Ended 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|---------------------------------------|-------|-----------------|-----------------|
| TURNOVER | | 647,342 | 754,409 |
| Cost of sales | | <u>191,417</u> | <u>267,404</u> |
| GROSS PROFIT | | 455,925 | 487,005 |
| Administrative expenses | | <u>511,618</u> | <u>573,995</u> |
| OPERATING LOSS | 4 | (55,693) | (86,990) |
| Interest payable and similar expenses | | <u>1,021</u> | <u>674</u> |
| LOSS BEFORE TAXATION | | (56,714) | (87,664) |
| Tax on loss | | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(56,714)</u> | <u>(87,664)</u> |

The notes form part of these financial statements

Julian House Trading Limited (Registered number: 03450273)

Balance Sheet
31 March 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 116,674 | 158,168 |
| CURRENT ASSETS | | | |
| Stocks | | 93,379 | 61,871 |
| Debtors | 6 | 23,734 | 28,058 |
| Cash at bank and in hand | | <u>48,017</u> | <u>37,480</u> |
| | | 165,130 | 127,409 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>100,191</u> | <u>89,563</u> |
| NET CURRENT ASSETS | | <u>64,939</u> | <u>37,846</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 181,613 | 196,014 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 8 | <u>374,264</u> | <u>331,951</u> |
| NET LIABILITIES | | <u>(192,651)</u> | <u>(135,937)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 2 | 2 |
| Retained earnings | | <u>(192,653)</u> | <u>(135,939)</u> |
| | | <u>(192,651)</u> | <u>(135,937)</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

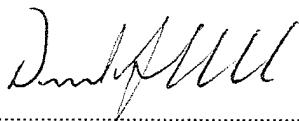
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

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

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

The financial statements were approved by the Board of Directors on 17 Sept 2019 and were signed on its behalf by:



David McDonald – Director and Chair

The notes form part of these financial statements

Julian House Trading Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Related party exemption

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

Turnover

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

Tangible fixed assets

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

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

Stocks

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

Debtors

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

Creditors

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Julian House Trading Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Going concern

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2018 - 22).

4. OPERATING LOSS

The operating loss is stated after charging:

| | 2019 | 2018 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | 45,306 | 38,923 |
| Loss on disposal of fixed assets | <u>3,476</u> | <u>6,635</u> |

5. TANGIBLE FIXED ASSETS

| | Short-term leasehold property £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|--|----------------------------------|------------------------|-----------------|
| COST | | | | |
| At 1 April 2018 | 142,140 | 118,129 | 30,386 | 290,655 |
| Additions | 3,612 | 4,225 | 1,200 | 9,037 |
| Disposals | <u>-</u> | <u>-</u> | <u>(18,440)</u> | <u>(18,440)</u> |
| At 31 March 2019 | <u>145,752</u> | <u>122,354</u> | <u>13,146</u> | <u>281,252</u> |
| DEPRECIATION | | | | |
| At 1 April 2018 | 65,707 | 51,130 | 15,650 | 132,487 |
| Charge for year | 15,554 | 27,143 | 2,609 | 45,306 |
| Eliminated on disposal | <u>-</u> | <u>-</u> | <u>(13,215)</u> | <u>(13,215)</u> |
| At 31 March 2019 | <u>81,261</u> | <u>78,273</u> | <u>5,044</u> | <u>164,578</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2019 | <u>64,491</u> | <u>44,081</u> | <u>8,102</u> | <u>116,674</u> |
| At 31 March 2018 | <u>76,433</u> | <u>66,999</u> | <u>14,736</u> | <u>158,168</u> |

Julian House Trading Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

| | | | |
|-----|--|----------------|----------------|
| 6. | DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| | | 2019 | 2018 |
| | | £ | £ |
| | Trade debtors | 4,994 | 6,931 |
| | Other debtors | - | 1,385 |
| | VAT | 3,970 | - |
| | Prepayments and accrued income | <u>14,770</u> | <u>19,742</u> |
| | | <u>23,734</u> | <u>28,058</u> |
| 7. | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| | | 2019 | 2018 |
| | | £ | £ |
| | Trade creditors | 26,014 | 10,636 |
| | Amounts owed to group undertakings | 65,850 | 64,850 |
| | VAT | - | 2,762 |
| | Other creditors | 1,750 | - |
| | Accruals and deferred income | <u>6,577</u> | <u>11,315</u> |
| | | <u>100,191</u> | <u>89,563</u> |
| 8. | CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | |
| | | 2019 | 2018 |
| | | £ | £ |
| | Amounts owed to group undertakings | <u>374,264</u> | <u>331,951</u> |
| 9. | OTHER FINANCIAL COMMITMENTS | | |
| | | 2019 | 2018 |
| | | £ | £ |
| | Total future minimum payments under non-cancellable operating leases | <u>67,754</u> | <u>106,889</u> |
| 10. | ULTIMATE CONTROLLING PARTY | | |

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