

Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 March 2020
for
Julian House Trading Limited

Julian House Trading Limited

**Contents of the Financial Statements
for the Year Ended 31 March 2020**

	Page
Company Information	1
Report of the Directors	2
Chartered Accountants' Report	5
Income Statement	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	11

Julian House Trading Limited
Company Information
for the Year Ended 31 March 2020

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

SECRETARY: Ms P J Keen

REGISTERED OFFICE: 55 New King Street
Bath
BA1 2BN

REGISTERED NUMBER: 03450273 (England and Wales)

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

Julian House Trading Limited
Report of the Directors
for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

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

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

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

During the year to March 2020, Julian House Trading Limited operated four bike workshop social enterprises, located in Bath, Bristol, Trowbridge and Exeter. Their current activities include:

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

During the course of the year Julian House Trading reviewed, refined, and reaffirmed their strategic aims and objectives.

The overarching aim is to operate financially sustainable social enterprises which provide positive opportunities for homeless and socially excluded people to build confidence, gain skills and progress towards volunteering, training and employment. They aim to achieve this in all four bike workshops by:

- Providing accredited training courses, work experience placements and volunteering opportunities, alongside individual employment support, for homeless and socially excluded people.
- Ensuring the long-term financial sustainability of each bike workshop; growing trading income, increasing margins, exercising good cost control, and successfully fundraising for our employability programmes where needed.
- Providing professional, ethical, environmentally sustainable and fairly priced, quality products and services, which give every customer who comes to one of our shops, the service/sale they need and want.

REVIEW OF BUSINESS

Performance and achievements

2020 marks the 10th anniversary of the Julian House bike workshops.

Refurbishment of second-hand bikes for sale and client training and work experience opportunities, continue to be the life blood and 'USP' of our bike workshops. The success of our marketing strategy over the last year has also ensured that we are now increasingly recognised as the professional, ethical choice amongst our loyal customer base of families, commuters and leisure cyclists who appreciate our social purpose, fair prices and association with Julian House, and trust us with all their cycling and repair needs.

Julian House Trading Limited's bike workshops have been instrumental in helping Julian House to raise its profile with new audiences, diversify its income streams, and reach into new geographical areas, as well as creating significant social value through training and skills development opportunities for homeless and socially excluded people. Alongside this, Julian House Trading provides wider environmental benefits, in the face of a climate emergency, through recycling, reduced waste and the promotion of sustainable travel.

In 2019-20 Julian House Trading Limited's turnover was £761k (compared to £647k in 2018-19). This increase in turnover is mainly due to a growth in sales of new bikes, parts and accessories. The result for the year was a loss of £30k (compared to a loss of £57k in the previous year). While this is an improved result from the previous year, it includes the Retail, Hospitality and Leisure Grants of £55k due from the Government in respect of the Coronavirus pandemic which were announced just prior to the year end. A number of factors contributed to the loss, the main ones being an increase in cost of sales as a result of the product mix, an increase in staff costs due to investment in a marketing executive and increases in shop leases and running costs.

In 2019-20, Julian House Trading Limited has made positive progress against its strategic aims:

Julian House Trading Limited

Report of the Directors
for the Year Ended 31 March 2020

- 1 Providing accredited training courses, work experience placements and volunteering opportunities, alongside individual employment support, for homeless and socially excluded people.
 - Generated £375k in social value (measured using the HACT calculator) through employment and training outcomes.
 - 146 socially excluded people benefited from employment support, build-a-bike courses and work placements.
 - 98% of beneficiaries surveyed rated their overall experience of our training, employment support and work experience opportunities as good or excellent.
 - 13 socially excluded people gained paid employment and a further 13 gained volunteering roles.
 - Volunteers dedicated 2991 hours of their time to the success of our bike workshops.
 - Continued our build-a-bike courses in Basingstoke for rough sleeping clients and continued to provide build-a-bike courses for excluded pupils in Frome, Somerset.

- 2 Ensuring the long-term financial sustainability of each bike workshop; growing trading income, increasing margins, exercising good cost control, and successfully fundraising for our employability programmes where needed.
 - Contrary to the national picture, our bike workshop retail sales have increased year on year, with trading gross margin rising to £311k in 2019-20 compared to £281k last year, and £260k the year before that.
 - Sold 953 refurbished second-hand bikes
 - 1,163 bikes donated
 - Secured further Comic Relief grant to invest in long-term sustainability.
 - Launched a new on-line sales platform with 'click and collect' with promising early sales.
 - Launched a new bike showroom in Trowbridge Shires shopping centre.

- 3 Providing professional, ethical, environmentally sustainable and fairly priced, quality products and services, which give every customer who comes to one of our shops, the service/sale they need and want.
 - 999 customer bikes were serviced through our Bronze, Silver and Gold service packages and a further 7,108 miscellaneous services and repairs were carried out.
 - Continued to ensure that 100% of bike workshop staff are qualified to at least Cytech level 2.
 - 98% of customers surveyed think our prices are fair
 - 96% of customers surveyed said they found what they were looking for in our stores
 - Attracted 191 Instagram followers (up from 135 last year) and 668 Facebook followers (up from 303 last year).
 - Invested in customer service and positive sales training for the bike workshop team.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

D A McDonald (Chair)
H C Bedser

Other changes in directors holding office are as follows:

P J Addis - resigned 7 September 2019
K A Eastham - appointed 8 August 2019
C Hallam - resigned 22 January 2020
B G Hughes - resigned 8 August 2019
C P Stockham - appointed 8 August 2019

Julian House Trading Limited
Report of the Directors
for the Year Ended 31 March 2020

FUTURE PLANS

Julian House Trading Limited's business plan covers the period April 2020 - March 2023 and outlines a determination to make a financial contribution to Julian House within this timeframe, while successfully sustaining positive social outcomes for homeless and socially excluded people, wider social value for the local communities where we operate, and environmental benefits for people and the planet.

This coming year, Julian House Trading Limited's plans include:

- Increasing the margin and volume of sales through all our shops; becoming the largest retailer of second-hand bikes in the UK.
- Enhancing the supply of quality donated bikes through pro-active marketing campaigns.
- Embedding a positive, ethical sales culture across our stores which drives staff to help every customer who comes into one of our shops.
- Growing our social media presence and selling more products online.

GOING CONCERN

After the year end, the Board of JHT took the decision to close the Exeter bike workshop against a backdrop of financial losses and reduced social outcomes achieved at this branch; exacerbated by the Covid-19 interruption and the probability of further losses as we approach the low point in the bike season. The decision to close the Exeter bike workshop will result in improved viability of JHT overall. 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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:



.....
Ms P J Keen - Secretary

Date: 21 September 2020
.....

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 2020 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

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

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

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

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



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

Date: 24 September 2020
Date:

Julian House Trading Limited

Income Statement
for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
TURNOVER		761,330	647,342
Cost of sales		250,316	191,417
GROSS PROFIT		511,014	455,925
Administrative expenses		540,077	511,618
OPERATING LOSS	4	(29,063)	(55,693)
Interest payable and similar expenses		934	1,021
LOSS BEFORE TAXATION		(29,997)	(56,714)
Tax on loss		-	-
LOSS FOR THE FINANCIAL YEAR		(29,997)	(56,714)

The notes form part of these financial statements

Balance Sheet
31 March 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible assets	5	87,255	116,674
CURRENT ASSETS			
Stocks		84,214	93,379
Debtors	6	79,175	23,734
Cash at bank and in hand		12,253	48,017
		<u>175,642</u>	<u>165,130</u>
CREDITORS			
Amounts falling due within one year	7	<u>114,997</u>	<u>100,191</u>
NET CURRENT ASSETS		<u>60,645</u>	<u>64,939</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>147,900</u>	<u>181,613</u>
CREDITORS			
Amounts falling due after more than one year	8	<u>370,548</u>	<u>374,264</u>
NET LIABILITIES		<u>(222,648)</u>	<u>(192,651)</u>
CAPITAL AND RESERVES			
Called up share capital		2	2
Retained earnings		<u>(222,650)</u>	<u>(192,653)</u>
		<u>(222,648)</u>	<u>(192,651)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 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 and authorised for issue on21 September 2020..... and were signed on its behalf by:



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

Julian House Trading Limited

Notes to the Financial Statements
for the Year Ended 31 March 2020

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 2020

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 21 (2019 - 20).

4. **OPERATING LOSS**

The operating loss is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	34,435	45,306
Loss on disposal of fixed assets	-	3,476
	<u> </u>	<u> </u>

5. **TANGIBLE FIXED ASSETS**

	Short-term leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2019	145,752	122,354	13,146	281,252
Additions	-	5,016	-	5,016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	145,752	127,370	13,146	286,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1 April 2019	81,261	78,273	5,044	164,578
Charge for year	14,574	17,232	2,629	34,435
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	95,835	95,505	7,673	199,013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2020	49,917	31,865	5,473	87,255
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	64,491	44,081	8,102	116,674
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Julian House Trading Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
		£	£
	Trade debtors	1,935	4,994
	Other debtors	7,406	-
	VAT	-	3,970
	Prepayments and accrued income	69,834	14,770
		<u>79,175</u>	<u>23,734</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
		£	£
	Trade creditors	28,245	26,014
	Amounts owed to group undertakings	61,990	65,850
	Other creditors	645	1,750
	Accruals and deferred income	24,117	6,577
		<u>114,997</u>	<u>100,191</u>
8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
		£	£
	Amounts owed to group undertakings	<u>370,548</u>	<u>374,264</u>
9.	OTHER FINANCIAL COMMITMENTS	2020	2019
		£	£
	Total future minimum payments under non-cancellable operating leases	<u>63,837</u>	<u>67,754</u>
10.	ULTIMATE CONTROLLING PARTY		

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

Julian House Trading Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2020

	2020		2019	
	£	£	£	£
Turnover				
Grants and donations	126,163		127,277	
HACT income	18,767		17,976	
Bicycle sale	550,574		486,153	
Coronavirus business support grant	55,000		-	
Other sales	10,826		15,936	
	<u> </u>	761,330	<u> </u>	647,342
Cost of sales				
Purchases		250,316		191,417
		<u> </u>		<u> </u>
GROSS PROFIT		511,014		455,925
Expenditure				
Rent - non operating lease	50,907		48,118	
Rates	16,452		16,552	
Insurance	4,829		5,152	
Light and heat	14,705		8,678	
Water	2,116		1,593	
Wages	365,347		331,765	
Staff private health insurance	1,568		1,525	
Telephone and fax	3,637		4,770	
Printing and stationery	1,981		3,361	
Advertising and promotion	4,197		5,868	
Hotels, travel and subsistence	5,492		4,420	
Motor expenses	9,305		7,185	
Staff training and recruitment	3,518		3,164	
Repairs and maintenance	6,674		6,613	
Computer costs	4,295		3,220	
General office expenses	6,463		3,742	
Accountancy	2,755		1,800	
Subscriptions	330		1,253	
Legal fees	-		3,310	
	<u> </u>	504,571	<u> </u>	462,089
		6,443		(6,164)
Finance costs				
Bank charges	1,070		749	
Loan	934		1,021	
	<u> </u>	2,004	<u> </u>	1,770
		4,439		(7,934)
Depreciation				
Short leasehold	14,867		15,748	
Fixtures and fittings	16,940		26,948	
Motor vehicles	2,629		2,608	
	<u> </u>	34,436	<u> </u>	45,304
		(29,997)		(53,238)
Loss on disposal of fixed assets				
Motor vehicles		-		3,476
		<u> </u>		<u> </u>
NET LOSS		(29,997)		(56,714)
		<u> </u>		<u> </u>

This page does not form part of the statutory financial statements

Julian House Trading Limited

**Notes wholly REPLACED
and/or accounting policies totally IGNORED
and/or accounting policies with text REPLACED
by user's choice on client screen entries
for the Year Ended 31 March 2020**

No notes have been replaced completely by user entries.

None of the standard accounting policies has been ignored.

The following standard accounting policies have been REPLACED completely by user entries.

TURNOVER
TANGIBLE FIXED ASSETS
STOCKS

PLEASE CHECK THAT THESE CHOICES ARE CORRECT - all changes that would automatically be made to notes generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT notes have been selected.