



JULIAN HOUSE

**(Homes and Communities Agency registration: L4549
Registered Society: 19305R)**

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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JULIAN HOUSE

REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2017

Trustees	Edward Rowberry (Chair) Lee Burman Kirsty Eastham Libby Gawith Matthew Graham Barry Hughes Jo Makinson Margaret Ndvolu (Appointed February 2017) Sue Porto (Appointed February 2017) Joy Saunders Ben Simpson Andrew Stafford Roger Wain-Heapy (Retired October 2016) Michael Whitcroft
Secretary	Helene Law
Chief Executive	Peter Denning
Senior Management Team	Jane Andrew HR & Admin Manager Helen Bedser Business Development Director John Isserlis Operations Director Helene Law Finance Director Cecil Weir Fundraising & PR Director Roanne Wootten Operations Director
Community Benefit Society reg. no.	19305R
Homes and Communities Agency reg. no.	L4549
Registered office and place of business	55 New King Street Bath BA1 2BN
Auditors	Monahans Fortescue House Court Street Trowbridge BA14 8FA

JULIAN HOUSE

REFERENCE AND ADMINISTRATIVE DETAILS
For the year ended 31 March 2017

Bankers

Lloyds Bank
Milsom Street
Bath
BA1 1DN

Triodos Bank
Deanery Road
Bristol
BS1 5AS

CAF Bank Ltd
Kings Hill
Kent
ME19 4JQ

Monmouthshire Building Society
Monmouthshire House
John Frost Square
Newport
South Wales
NP20 1PX

Holmesdale Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

TRUSTEES' REPORT

For the year ended 31 March 2017

The Board of Trustees of Julian House present their report, including the strategic report and the audited financial statements of the organisation for the year ended 31 March 2017.

1) Review of the business / business model

Julian House is a charitable housing society registered under the Co-operative and Community Benefit Societies Act 2014 (previously Industrial & Provident Societies Act 1965), which was first registered in 1969. The organisation is also a Registered Provider, registered with the Homes and Communities Agency on the 2nd February 2010.

Julian House provides support services to people who have experienced street homelessness, domestic abuse, the criminal justice system, addictions, long-term unemployment or social exclusion. Our services operate in Bath & North East Somerset (B&NES), Somerset, Swindon, Wiltshire, Hampshire, Bristol, South Gloucestershire, and Devon.

Our Vision

The Julian House vision is for a just society where socially excluded people are supported and empowered to build sustainable, independent lives.

Business model

Julian House seeks to maintain a Board size of up to 15 members. The Chief Executive, Finance Director and members of the Senior Management Team are in attendance at Board meetings as is an elected staff representative. No staff members have voting rights but contribute to discussions before decisions are taken.

The strategy and leadership direction of the organisation is provided by the Board of Trustees and its Groups (committees) and Working Groups (time limited committees). The implementation of the organisation's strategy and the provision of its day-to-day services are delegated to the Chief Executive and the Senior Management Team.

Julian House has two subsidiaries, Julian House Trading Limited (JHT) and Julian House Bikeworkshops Limited (JHBWL), which are companies limited by shares, which are all held by Julian House. The JHBWL is a dormant company and the director is Helene Law. Since April 2011 JHT has operated as a social enterprise which offers education, employment and training opportunities. All commercial activity along with related revenues and profits are to be used to further the aims of Julian House. The Chair of the JHT Board of Directors attends the Julian House board meetings.

2) Objectives and strategies for achieving those objectives

Julian House's 2017-22 Strategic Aims and Objectives

During the year the Trustees reviewed and approved an updated set of strategic aims. In January 2017 these were agreed as:

- Improve outcomes for clients and communities by working collaboratively with partners.
- Empower clients to have choice, control and an active voice.
- Deliver excellence with motivated and skilled staff and volunteers.

TRUSTEES' REPORT

For the year ended 31 March 2017

- Embrace change, learn and innovate.
- Use Social Enterprise to enhance outcomes for our clients.

Our housing and support services seek to tackle the immediate challenges, often when individuals are facing crisis situations, but Julian House has now developed services that help with the longer term, underlying issues which can lead to homelessness such as addiction, domestic abuse, crime and unemployment. This has resulted in a year that has seen significant growth in our services but despite this investment, it has not been necessary to draw on reserves, retaining the strong financial position.

Against the backdrop of a turbulent external environment the pressure on Julian House services (and those of other similar organisations) has been significant. This has required a willingness to embrace change and has prompted us to find ever more effective ways of meeting our service-users' needs.

Julian House Trading Ltd (JHT)

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, Exeter and Erlestoke Prison. Current strands to our social enterprise projects are: Aspire – providing painting and decorating, gardening and window cleaning services; and bike workshops, providing bike sales, bike refurbishment, cycle maintenance, cycle maintenance training and bike servicing and repairs.

The strategic aims of JHT are:

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

3) Principal risks and uncertainties

The Board of Trustees acknowledges their responsibility to manage risk and regularly conducts a review of the major risks to which the organisation is exposed. Where appropriate, systems have been established to mitigate the identified risks.

Internal control risks are minimised by clearly defining levels of delegated authority and by implementing systems of authorisation.

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

The principal risks anticipated are the changes in future benefit rules and loss of grant funding. These are mitigated by keeping abreast of future legislation and developments and by keeping our income as diverse as possible, both in income types and geography.

TRUSTEES' REPORT

For the year ended 31 March 2017

The charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

4) Main trends and factors underlying the development and performance and position of the organisation

Principal Funding Sources

Our core funding is from our Social Housing Activities as shown in note 2 where we provide hostels/refuges and move-on housing for our clients.

Income from Non-Social Housing Activities

Julian House has always enjoyed widespread support from across the community in its heartland of Bath & North East Somerset. As the charity has grown so too has its supporter base – particularly in Bristol and Exeter.

Donations/Grants and Legacies

Since the organisation's founding, Julian House has developed a good breadth of support from the community at large. The cause and the client group are sometimes seen by the public as undeserving of support so the charity has worked hard to explain the complex issues which contribute to homelessness and the other forms of social exclusion which relate to our clients in order to receive donations, grants and legacies. Our experience shows that once we have a dialogue with unfamiliar audiences and potential stakeholders they quickly see the value in what we do. This in turn helps to generate support for our core work and new projects which will help to deliver better outcomes.

This year has been strong for the charity's voluntary support. Total income from its fundraising events/activities, donations, grants and charity shop was £1,264,655 an increase of 40% over the previous year. Individual giving was particularly strong and amongst the various events the annual Big Bath Sleep out and Auction of Promises in Bath were very well supported. JH also received legacies to the value of £84,410.

In Bristol, Julian House manages a range of projects and services around addiction recovery, criminal justice and social exclusion. These are part financed by statutory funding and by fundraising activities there. These include the Colour Fun Run and the Dragon Boat Festival – both very colourful and well supported events.

This range of fundraising events and activities appeal to different audiences and organisations, which in turn adds to the important process of awareness building and a reduction in the prejudice which our clients sometimes face.

On the retail front, things have been challenging. The high street has seen reduced foot-fall and patterns of spending are changing. New commercial shop sites are difficult to acquire but Julian House was pleased when an attractive opportunity became available in Thornbury and it is hoped that a long term pop up shop will come to fruition in Wiltshire.

The unpredictable nature of legacies mean that they are unbudgeted. Notwithstanding they still provide a valuable contribution. This year the total amount received was in excess of £84,000. This is a terrific boost to the charity's work and represents the ultimate expression of supporters' faith in our work and vision.

TRUSTEES' REPORT

For the year ended 31 March 2017

Whilst financial support is the key priority for the organisations fundraising effort Julian House also owes a huge debt to its many volunteers – who provide time and support in many areas of its work. Likewise to those organisations and individuals who provide support in kind, including: professional services, donated stock, food, furniture and other items of direct benefit to clients. Thank you.

Julian House and JHT Boards are extremely grateful for the support received from grant makers. These were Noel Buxton Trust, Albert Hunt Trust, Alchemy Foundation, Roger and Mary Bancroft, Henry Smith Foundation, David Medlock, St. John's Foundation, Wiltshire Public Health, St. James Trust, Trowbridge Town Council, John James, McReevey No. 5, Sobell Foundation, David Uri Memorial Fund, Austin & Hope Pilkington Trust, Fulmer Charitable Trust, Travelwest, Quartet Foundation, Quilter Foundation, Exeter Board, Bernard Sunley Foundation, Comic Relief and Invest in Devon. During the year the generosity of the public was excellent with donations of office furniture and 1,500 second-hand bikes.

5) Analysis using key performance indicators

Activities, Achievement and Outcomes in 2016/17

Julian House measures impact through detailed record keeping with the 'Inform' database, helping to ensure activity is focussed and effective. Significantly, amongst our core activities the vast majority of people supported by Julian House benefited from that support as follows:

- 76% secured settled accommodation.
- 91% were supported to access health services to better manage their physical health.
- 98% reduced their overall debt.
- 84% accessed training, education and/or employment.
- 98% accessed the financial support to which they were entitled.

2016/17 has been a year of sustained growth reaching out to more people than ever before:

- 262 single homeless men and women were accommodated and supported by Manvers Street Hostel in Bath. 147 (56%) of these were supported into positive move-on accommodation such as supported or independent housing. This is a decrease from 63% achieved in 2015-16 reflecting the higher support needs of the residents at the hostel.
- During the year Julian House operated a new winter shelter in Exeter (Exeter Safesleep) taking rough sleepers off the street. We accommodated 107 individuals with a 61% positive move-on outcome and total of 1,909 bed nights. 41% of clients were "New to the streets", 27% were "Returners" and 32% "Entrenched".
- The Social Enterprise businesses, Julian House Trading, achieved £696,035 of turnover. These enterprises have created increased opportunities for work experience, training and apprenticeships across Bath, Bristol, Trowbridge and from April 2017 in Exeter.
- In B&NES, Julian House was awarded a contract to provide new bed spaces within a dispersed refuge service for women or men with more complex needs, who are fleeing domestic violence.

During the year JHT has made positive progress against the strategic aims:

- Supported 194 socially excluded people to access training and work experience opportunities within our social enterprises. 134 undertook a build-a-bike course, 27 completed an 8 week work experience placement, 21 were supported to gain paid employment and 4 undertook formal apprenticeships.

TRUSTEES' REPORT

For the year ended 31 March 2017

- £440k generated in social value through access to employment and training opportunities.
- Approved to deliver level 2 qualifications in cycle mechanics at Erlestoke Prison bike workshop.
- Provided training to ensure that 100% of our bike workshop mechanics are qualified to at least Cytech level 2.

Julian House Trading delivered a small loss of £5,356 during the year. This small loss, once combined with the ongoing support of Julian House as parent and major creditor, has enabled the JH and JHT Boards to remain confident that JHT remains a viable going concern.

In 2016 the organisation raised a provision against the intercompany balance with its trading subsidiary on the basis it was showing an accumulated deficit. The trading subsidiary is now generating profits (after excluding depreciation costs which are sunk costs) and the organisation is therefore generating positive cashflows and the parent society is satisfied that the loan will be recovered in due course. The provision was therefore reversed in 2017.

6) Future prospects

As Julian House heads into 2017 with a five year strategy we look forward optimistically. The organisation has diversified and developed with a presence and contracted services in eight Local Authority areas with growth in all of our strands of activity. The diversified services support more people in more ways than ever before. The challenges faced in the communities we operate in are perhaps as great as they have been for a generation, but for the first time in several years some of the Supporting People losses which have affected homelessness have been addressed with central government resources in the form of the Homelessness Prevention Fund. Julian House has been active in supporting bids for these funds and won a Swindon / Wilts / B&NES bid, with a number of new posts created.

- Where we can improve outcomes for clients, we want to work collaboratively with partners, our first strategic aim. Julian House has partnerships for all existing services, but we need to go further. As pressure on statutory authorities grows, we need to share the challenges of bringing the broad spectrum of skills and services together collaboratively with a pragmatism about efficiencies which need to be found.
- Secondly we want to empower clients to have choice, control and an active voice. For the first time we will have a strategy for client involvement and appoint a member of staff to bring this strategic objective alive. We will grow and formalise our existing mechanisms for client involvement in services and listen to our partners and other stakeholders to see how services can be improved. We recognise that any service left alone for long enough will develop quality blind spots and that our quality assurance processes must be inbuilt and robust. Peer to peer and external quality reviews with 'experts by experience' at the centre are essential.
- Julian House now has 200 volunteers and a staff group which has grown from 40 to 120 in four years. We recognise this is our most precious resource, reflected in our third objective: Delivering excellence with motivated and skilled staff and volunteers. This long term objective will be reflected in a long term investment in training and support.
- We believe that a strength of Julian House is our willingness to embrace change, learn and innovate. We want this to be central to everything we do, recognising that we must adapt positively as the political, social and technological environment changes. Genuine openness to learn means that we will welcome external and peer review, and work constructively with partners who bring unique skills.

TRUSTEES' REPORT

For the year ended 31 March 2017

- Through diversification, Julian House will continue to use social enterprise to enhance outcomes for our clients. With six centres across the South West and the infrastructure to provide more, Julian House and Julian House Trading are now in a unique position. We are now a genuine public / private / voluntary combination of commissioned services, volunteers with community generated voluntary income, and private income through commercial social enterprises and business partnerships. Julian House will use this five year plan period to leverage greater value from this unique position for our stakeholders, creating employment, training and work experience to the most marginalised in society and providing a sustainable route out of homelessness and social exclusion.

7) Assessment of how the organisation is achieving value for money

For the clients and funders of Julian House and Julian House Trading the aim is to achieve value for money by good governance in the use of our resources such as staff and finances. We have a clear level of delegation for the expenditure of resources and aim to always look at the client value first. Value for money is not always the cheapest option but also the most economical, efficient and effective option.

8) Assessment of compliance with the Governance and Financial Viability Standard

Julian House complies with the governance and financial viability standard as stated by the HCA, this is reviewed regularly.

9) Code of governance

Julian House follows the code of governance as set out by the National Housing Federation 2015.

10) Annual review of internal control

Julian House Board of Trustees are responsible for the internal controls of the charity and this responsibility is delegated to the sub committees. The controls are reviewed at least annually by the board.

11) Public benefit statement

Julian House is formed for the benefit of the community.

Julian House objective is to carry on for the benefit of the community the business of providing social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

- The business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities.
- To assist individuals in the development of their capacity and skills in such a way that they become, as a result of the assistance, increasingly able to identify and help meet their own needs and to participate more fully in society. Julian House aims to achieve this by providing training, employment and other support and opportunities which will enable the individuals to sustain housing and independent living and achieve their potential.
- Any other charitable objective that can be carried out from time to time by a registered society in order to benefit the community.

TRUSTEES' REPORT

For the year ended 31 March 2017

12) Trustees' responsibilities

The Trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

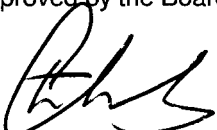
The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to have:

- selected suitable accounting policies and applied them consistently.
- made judgements and estimates that are reasonable and prudent.
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the organisation will continue in operation).

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets and to prevent and detect fraud and other irregularities.

Approved by the Board of Trustees on 13 September 2017 and signed on its behalf by



EDWARD ROWBERRY
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JULIAN HOUSE
For the year ended 31 March 2017

We have audited the financial statements of Julian House for the year ended 31 March 2017 which comprise the Consolidated and Parent Society Statement of Comprehensive Income, the Consolidated and Parent Society Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated and the Parent Society Statement of Change in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable housing society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 9, the Board of Trustees is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the consolidated and the parent society's affairs as at 31 March 2017, and of the group's income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JULIAN HOUSE
For the year ended 31 March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.
- the organisation has not kept proper accounting records.
- the financial statements are not in agreement with the books of account, or
- we have not received all the information and explanations we need for our audit.



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

26/10/17

JULIAN HOUSE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (GROUP)
For the year ended 31 March 2017

JULIAN HOUSE GROUP	Notes	2017 £	2016 <i>As restated</i> £
Turnover	2, 4	3,652,407	3,119,235
Operating expenditure		(3,568,819)	(3,081,904)
Operating surplus /(deficit)		83,588	37,331
Interest receivable and similar income	5	909	4,354
Interest payable and similar charges	6	(19,598)	(11,877)
Remeasurement of pension deficit liability	23	-	(31,000)
Surplus on ordinary activities for the year before tax		64,899	(1,192)
Taxation		-	-
Surplus for the year after tax and total comprehensive income		£ 64,899	£ (1,192)

JULIAN HOUSE

STATEMENT OF COMPREHENSIVE INCOME (JULIAN HOUSE)
For the year ended 31 March 2017

	Notes	2017 £	2016 <i>As restated</i> £
Turnover	2, 4	2,986,976	2,561,538
Operating expenditure		(2,897,809)	(2,530,229)
Operating surplus /(deficit)		89,167	31,309
Interest receivable and similar income	5	686	5,299
Interest payable and similar charges	6	(19,598)	(11,877)
Remeasurement of pension deficit liability	23	-	(31,000)
Extraordinary item - provision for intercompany balances	7	104,000	(104,000)
Surplus on ordinary activities for the year before tax		174,255	(110,269)
Taxation		-	-
Surplus for the year after tax and total comprehensive income		£ 174,255	£ (110,269)


JULIAN HOUSE


BALANCE SHEET AND CONSOLIDATED BALANCE SHEET

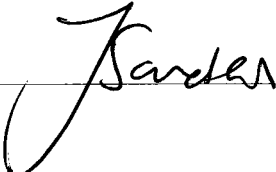
As at 31 March 2017

	Notes	Julian House Group		Julian House	
		2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
		£	£	£	£
FIXED ASSETS					
Social housing properties	11	1,112,242	827,668	1,112,242	827,668
Other tangible fixed assets	12	1,717,282	1,688,404	1,561,105	1,552,280
Investment in subsidiary	13	-	-	2	2
		2,829,524	2,516,072	2,673,349	2,379,950
CURRENT ASSETS					
Stocks	14	70,269	51,391	8,403	8,373
Debtors	15	692,758	167,475	904,210	248,508
Cash at bank and in hand		843,932	937,568	727,426	862,097
		1,606,959	1,156,434	1,640,039	1,118,978
CREDITORS: amounts falling due within one year	16	(934,647)	(356,696)	(763,278)	(244,200)
NET CURRENT ASSETS		672,312	799,738	876,761	874,778
TOTAL ASSETS LESS CURRENT LIABILITIES		3,501,836	3,315,810	3,550,110	3,254,728
CREDITORS: amounts falling due after one year	17	(846,192)	(725,065)	(846,192)	(725,065)
NET ASSETS		£ 2,655,644	£ 2,590,745	£ 2,703,918	£ 2,529,663
RESERVES					
Called up share capital	19	11	11	11	11
Income and expenditure reserve	20	2,655,633	2,326,119	2,703,907	2,265,037
Restricted funds	21	-	264,615	-	264,615
TOTAL RESERVES		£ 2,655,644	£ 2,590,745	£ 2,703,918	£ 2,529,663

The financial statements were approved by the Trustees on 13 September 2017 and signed on their behalf by:


 _____ EDWARD ROWBERRY, Chair


 _____ HELENE LAW, Secretary


 _____ JOY SAUNDERS, Trustee

JULIAN HOUSE

CONSOLIDATED STATEMENT OF CHANGE IN RESERVES
For the year ended 31 March 2017

	Restricted Reserve	Called-up share capital	Income and Expenditure Reserve	Total
At 1 April 2015	292,566	12	2,184,174	2,476,752
Prior year adjustments	-	-	115,186	115,186
At 1 April 2015 restated	292,566	12	2,299,360	2,591,938
Surplus / deficit for the year	(56,524)	-	55,332	(1,192)
Total comprehensive income	(56,524)	-	55,332	(1,192)
Shares redeemed		(1)		(1)
Transfers	28,573		(28,573)	-
At 31 March 2016 and 1 April 2016	264,615	11	2,326,119	2,590,745
Surplus / deficit for the year	-	-	64,899	64,899
Total comprehensive income	-	-	64,899	64,899
Share capital issued	-	1	-	1
Shares redeemed		(1)		(1)
Transfers	(264,615)	-	264,615	-
At 31 March 2017	£ Nil	£ 11	£ 2,655,633	£ 2,655,644

JULIAN HOUSE

STATEMENT OF CHANGE IN RESERVES
For the year ended 31 March 2017

	Restricted reserve	Called-up share capital	Income and Expenditure Reserve	Total
At 1 April 2015	292,566	12	2,289,159	2,581,737
Prior year adjustment	-	-	58,196	58,196
At 1 April 2015 restated	292,566	12	2,347,355	2,639,933
Surplus / deficit for the year	(56,524)	-	(53,745)	(110,269)
Total comprehensive income	(56,524)	-	(53,745)	(110,269)
Share capital redeemed Transfers	28,573	(1)	(28,573)	(1)
At 31 March 2016 and 1 April 2016	264,615	11	2,265,037	2,529,663
Surplus / deficit for the year	-	-	174,255	174,255
Total comprehensive income	-	-	174,255	174,255
Share capital issued	-	1	-	1
Share capital redeemed Transfers	(264,615)	(1)	-	(1)
At 31 March 2017	£ Nil	£ 11	£ 2,703,907	£ 2,703,918

JULIAN HOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flow from operating activities	22	£ 268,135	£ 307,712
Cash flow from investing activities			
Purchase of social housing property	11	(298,975)	(670,983)
Purchase of property plant and equipment	12	(185,026)	(53,163)
Interest received		909	4,354
Net cash used in investing activities		£ (483,092)	£ (719,792)
Cash flow from financing activities			
Repayments of borrowing		(48,081)	(28,047)
Cash inflow from new borrowing		189,000	500,000
Share movement		-	(1)
Interest paid		(19,598)	(11,877)
Net cash provided by / (used in) financing activities		£ 121,321	£ 460,075
Change in cash and cash equivalents in the year		(93,636)	47,995
Cash and cash equivalents at 1 April 2016		937,568	889,573
Cash and cash equivalents at 31 March 2017		£ 843,932	£ 937,568
Cash and cash equivalents consists of:			
Cash at bank and in hand			
Cash and cash equivalents at 31 March 2017		£ 843,932	£ 937,568

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

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

Julian House is a registered society under the Co-operative and Community Benefit Societies Act 2014, a private registered provider of social housing in the United Kingdom and is recognised by the Inland Revenue as an exempt charity. The address of the society is given in the reference and administration details of page 1 of these financial statements. The nature of the society'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, 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 and the Cooperative and Community Benefit Societies Act 2014. 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 accounts

These group financial statements consolidate the results of the society 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 2017

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 scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the society, 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.

Donated second hand goods are estimated at the value of 1 weeks sales.

(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 2017

(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 society 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 society 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 if 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 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 society 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 society 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 society 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 society is not following this SORP.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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 society has control over the item. Fair value is determined on the basis of the value of the gift to the society. For example the amount the society 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 society 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 society 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 society 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 participates in the Social Housing scheme, a multi employer defined benefit scheme. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Julian House, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 23 Julian House has a contractual obligation to make pension deficit payments, accordingly this is shown as a liability in these accounts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

(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 society 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 23) and the split and useful lives of components of social housing and other fixed assets.

2. SOCIAL HOUSING TURNOVER AND COSTS (JULIAN HOUSE AND GROUP)

	2017	2016
	£	As restated £
Rent receivable after voids but excluding service charges	987,331	944,229
Service charges receivable	52,012	70,348
Revenue grants receivable	416,143	328,384
Social Housing activity expenditure	(1,534,811)	(1,416,877)
Operating surplus / (deficit) from social housing activities	<u>(79,325)</u>	<u>(73,916)</u>
Rent losses from voids	<u>(86,922)</u>	<u>(75,908)</u>

3. ACCOMODATION OWNED AND IN MANAGEMENT

	2017	2016
	Property Units	Property Units
Supported Housing	<u>114</u>	<u>108</u>

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

4. INCOME FROM NON SOCIAL HOUSING ACTIVITIES

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Other contracted income	349,067	305,589	349,067	305,589
Fundraising and donations	797,378	481,141	619,180	481,141
Government grant amortisation	-	-	-	-
Legacies	84,410	500	84,410	500
Charity shops	467,277	419,115	467,277	419,115
Julian House Trading	483,913	558,308	-	-
Other	14,876	12,232	11,556	12,232
	2,196,921	1,776,885	1,531,490	1,218,577

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Bank interest receivable	909	4,354	909	3,968
Loan interest receivable	-	-	(223)	945
	909	4,354	686	4,913

The £223 negative loan interest shown in 2017 relates to an adjustment for over paid interest in prior years.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Bank loans and overdrafts	17,546	10,305	17,546	10,305
Pension interest charge	2,052	1,572	2,052	1,572
	19,598	11,877	19,598	11,877

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

7. SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
The operating surplus is arrived at after charging:	£	£	£	£
Depreciation	110,261	105,386	84,638	81,695
Auditors remuneration - audit fee	11,206	13,613	10,380	13,613
Provision on intercompany loans	-	-	104,000	(104,000)
Movement in pension deficit liability	3,057	30,324	3,057	30,324

In 2016 the society raised a provision against the intercompany balance with its trading subsidiary on the basis it was showing an accumulated deficit. The trading subsidiary is now generating profits (after excluding depreciation costs which are sunk costs) and the organisation is therefore generating positive cashflows and the parent society is satisfied that the loan will be recovered in due course. The provision was therefore reversed in 2017.

8. BOARD AND KEY MANAGEMENT PERSONNEL REMUNERATION

Total remuneration for key management personnel of the society and the group amounted to £311,953 (2016: £313,347). The key management includes the trustees, directors and senior management team as detailed on page 1.

No remuneration was received by non-executive board members.

The highest paid director received £62,736 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 society does not make any further contribution to an individual pension arrangement for the Chief Executive.

During the year no trustees received any reimbursement of expenses (2015: £nil).

9. STAFF NUMBERS AND COSTS

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Wages and salaries	1,813,843	1,620,614	1,448,444	1,333,522
Social security costs	139,022	127,651	118,453	113,070
Pension costs	33,480	27,962	31,948	24,466
Pension deficit liability admin costs	1,870	55	1,870	55
	1,988,215	1,776,282	1,600,715	1,471,113

The average weekly number of employees, including members of the executive team, calculated on a full time equivalent basis was 88 (2016 : 79).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

One employee received remuneration in the £60k to £70k band in both years. No other employee received remuneration over £60k.

During the year total redundancy and severance payments of £2,874 (2016: £7,574) were made in Julian House and £3,000 (2016: £nil) in Julian House Trading.

10. PRIOR YEAR ADJUSTMENTS

Component depreciation

Following the adoption of FRS 102 and the Housing SORP 2014 in the prior year, all social housing properties should have been depreciated on a component basis. However they were incorrectly depreciated in line with the society's previous accounting policies on a straight line basis over a useful economic life of 50 years. A prior year adjustment is therefore required to adjust the depreciation of social housing properties so that they are depreciated on a component basis.

Capital grants treatment

In Julian House Trading (JHT), grants were previously netted off the cost of the related asset. Under FRS 102, government grants must be accounted for using the accruals model or the performance model and grants from other sources using the performance model. A prior year adjustment has therefore been made to the JHT accounts so that these grants are accounted for correctly. As all the grants were received from non government sources the performance model has been applied and the grants have been recognised when entitlement to the income occurred. Depreciation has also been adjusted for those assets which had not been previously depreciated as they were treated as grant funded. The impact of these adjustments is included within the Julian House Group figures.

The impact of these adjustments on the comparative figures is detailed below:

	Julian House Group	Julian House
	£	£
Reconciliation of comparative period total comprehensive income		
Total comprehensive income at 31 March 2016 as previously stated	(17,531)	98,686
Impact of prior year adjustment - applying component depreciation	11,576	11,583
Impact of prior year adjustment - correction of grant treatment in JHT	4,763	-
Restated total comprehensive income at 31 March 2016	<u>(1,192)</u>	<u>110,269</u>
Reconciliation of comparative period total reserves		
Total reserves as at 31 March 2016 as previously stated	2,459,220	2,459,884
Impact of prior year adjustment - applying component depreciation	69,779	69,779
Impact of prior year adjustment - correction of grant treatment in JHT	61,746	-
Restated total reserves as at 31 March 2016	<u>2,590,745</u>	<u>2,529,663</u>

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

11. SOCIAL HOUSING PROPERTIES

JULIAN HOUSE AND JULIAN HOUSE GROUP

	Freehold property £
Cost	
At 1 April 2016	901,313
Additions	298,975
At 31 March 2017	<u>1,200,288</u>
Depreciation	
At 1 April 2016	73,645
Charge for the year	14,401
At 31 March 2017	<u>88,046</u>
Net book value	
At 31 March 2016	<u>827,668</u>
At 31 March 2017	<u>1,112,242</u>

Social housing properties with a net book value of £1,112,242 (2016: £827,668) have been pledged as security for liabilities of the Organisation. These assets have restricted title.

Included within freehold property is land totalling £236,019 (2016: £166,210) which is not depreciated.

12. OTHER TANGIBLE FIXED ASSETS

JULIAN HOUSE GROUP

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures fittings and equipment £	Total £
Cost					
At 1 April 2016	1,305,563	638,291	29,085	331,138	2,304,077
Additions	3,750	57,155	6,946	117,175	185,026
Disposals	-	-	-	-	-
At 31 March 2017	<u>1,309,313</u>	<u>695,446</u>	<u>36,031</u>	<u>448,313</u>	<u>2,489,103</u>
Depreciation					
At 1 April 2016	237,093	170,909	9,194	198,477	615,673
Charge for the year	34,453	53,136	6,395	62,164	156,148
On disposals	-	-	-	-	-
At 31 March 2017	<u>271,546</u>	<u>224,045</u>	<u>15,589</u>	<u>260,641</u>	<u>771,821</u>
Net book value					
At 31 March 2016	<u>1,068,470</u>	<u>467,382</u>	<u>19,891</u>	<u>132,661</u>	<u>1,688,404</u>
At 31 March 2017	<u>1,037,767</u>	<u>471,401</u>	<u>20,442</u>	<u>187,672</u>	<u>1,717,282</u>

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

JULIAN HOUSE

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures fittings and equipment £	Total £
Cost					
At 1 April 2016	1,305,563	531,729	-	249,983	2,087,275
Additions	3,750	41,183	-	88,022	132,955
Disposals	-	-	-	-	-
At 31 March 2017	<u>1,309,313</u>	<u>572,912</u>	-	<u>338,005</u>	<u>2,220,230</u>
Depreciation					
At 1 April 2016	237,093	127,672	-	170,230	534,995
Charge for the year	34,453	42,405	-	47,272	124,130
On disposals	-	-	-	-	-
At 31 March 2017	<u>271,546</u>	<u>170,077</u>	-	<u>217,502</u>	<u>659,125</u>
Net book value					
At 31 March 2016	<u>1,068,470</u>	<u>404,057</u>	Nil	<u>79,753</u>	<u>1,552,280</u>
At 31 March 2017	<u>1,037,767</u>	<u>402,835</u>	Nil	<u>120,503</u>	<u>1,561,105</u>

13. 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 society. The society 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.

	2017 £	2016 £
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 £48,273 and loss for the year amounted to £5,356.

14. STOCK

	Julian House Group		Julian House	
	2017 £	2016 As restated £	2017 £	2016 As restated £
Retail stock	<u>70,269</u>	<u>51,391</u>	<u>8,403</u>	<u>8,373</u>

JULIAN HOUSE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

15. DEBTORS	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Due within one year				
Trade debtors (gross social housing rent arrears)	57,080	75,086	57,080	75,086
Less: provision for doubtful debt	(27,837)	(18,810)	(27,837)	(18,810)
Trade debtors (others)	504,244	19,675	481,677	6,677
Amounts owed by group undertakings	-	-	72,250	55,232
VAT	4,607	-	3,041	-
Prepayments and accrued income	124,508	68,351	97,499	47,171
Other debtors	30,156	23,173	29,978	23,152
Due after more than one year				
Amounts owed by group undertakings	-	-	190,522	60,000
	692,758	167,475	904,210	248,508

16. CREDITORS	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Due within one year				
Bank loans	54,661	42,345	54,661	42,345
Trade creditors	101,271	60,438	55,831	50,225
Other taxation and social security	38,161	35,901	38,181	35,901
Other creditors	33,102	17,815	30,985	17,815
Accruals and deferred income	694,867	188,067	571,035	85,784
Pensions liability	12,585	12,130	12,585	12,130
	934,647	356,696	763,278	244,200

17. CREDITORS	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Due after more than one year				
Bank loans	759,798	631,195	759,798	631,195
Pension liability	86,394	93,870	86,394	93,870
Listed investments at market value	846,192	725,065	846,192	725,065

Julian House has three mortgages, two 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 the Triodos mortgages (with a minimum rate of 2.5%) and 1.3% above base rate for the Bank of Scotland mortgage.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

The mortgages include aggregate amounts of £528,505 (2016: £451,176) which fall due in more than five years and which are payable by instalments.

18. OPERATING LEASE COMMITMENTS

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

	Julian House Group		Julian House	
	2017	2016 <i>As restated</i>	2017	2016 <i>As restated</i>
	£	£	£	£
Not later than one year	221,255	237,509	190,184	204,255
Later than one and not later than five years	158,726	239,267	100,567	165,517
Later than five years	106,917	36,833	106,916	36,833
	486,898	513,609	397,667	406,605

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.

19. SHARE CAPITAL

Ordinary shares of £1 each	Number	£
Allotted called up and fully paid		
At 1 April 2016	11	11
Issued during the year	1	1
Redeemed during the year	(1)	(1)
At 31 March 2017	11	11

Shares in Julian House are neither redeemable nor transferable, carry no right to interest, dividend or bonus, and do not entitle the owner to participate in the company's assets other than to the extent of the nominal value. Each member holds one share only in Julian House.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

20. 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 2016	2,194,594	2,195,258
Prior year adjustments (see Note 10)	131,525	69,779
Restated reserves at 1 April 2016	<u>2,326,119</u>	<u>2,265,037</u>
Total income (turnover and bank interest)	3,653,316	2,987,662
Total expenditure (operating expenditure and interest payable)	(3,588,417)	(2,813,407)
Transfers from restricted funds	<u>264,615</u>	<u>264,615</u>
Reserves Carried forward	<u><u>2,655,633</u></u>	<u><u>2,703,907</u></u>

21. 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. Such transfers are detailed below:

Julian House and Julian House Group

	Brought Forward £	Transfer at year end £	Carried Forward £
Restricted capital reserves	228,422	(228,422)	-
New Highway	<u>36,193</u>	<u>(36,193)</u>	-
	<u><u>264,615</u></u>	<u><u>(264,615)</u></u>	<u><u>-</u></u>

Details of restricted monies received and spent in the year are as follows:

	Received in year £	Spent in year £	Transfers £	Net in year movement £
Restricted capital reserves	-	-	(228,422)	(228,422)
New Highway	-	-	(36,193)	(36,193)
Refuge	15,000	(15,000)	-	-
Outreach female mental health worker	11,185	(11,185)	-	-
Employment support	8,347	(8,347)	-	-
Dry house	10,000	(10,000)	-	-
Julian House Trading	176,834	(176,834)	-	-
	<u><u>221,366</u></u>	<u><u>(221,366)</u></u>	<u><u>(264,615)</u></u>	<u><u>(264,615)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Restricted reserve descriptions

Capital reserves

Capital reserves represented funds used to purchase fixed assets. The restricted capital reserve was for the refurbishment of the Hostel. As the money has been spent and the original restriction has been satisfied a transfer has been made to move the balance on this reserve to the income and expenditure reserve.

New Highway

In October 2013 New Highway awarded £80,000 to Julian House as a restricted fund to provide training services in acupuncture and related areas for those suffering from drug and alcohol misuse in line with New Highway's charitable objectives. These services are provided at our projects in Bristol and Bath.

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.

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.

Employment support

To provide a specialist part-time Employment support worker to support disadvantaged and socially excluded people with multiple and complex needs who face significant barriers to employment.

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.

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 Erlestoke Prison.

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

	2017	2016
	£	As restated £
JULIAN HOUSE GROUP		
Surplus / (deficit) for the year	64,899	(1,192)
Depreciation charges	170,549	139,987
Interest receivable	(909)	(4,354)
Interest payable	19,598	11,877
Loss on disposal of fixed assets	-	4,306
Decrease / (increase) in stock	(18,878)	(27,059)
Decrease / (increase) in debtors	(525,283)	133,548
Increase / (decrease) in creditors	558,159	50,599
	<u>268,135</u>	<u>307,712</u>

23. PENSION COMMITMENTS

Social Housing Pension Scheme

Julian House participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated 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.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme

The scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Where the scheme is in deficit and where the company 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 is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2017	2016
	£	As restated £
Reconciliation of opening and closing liability		
Opening liability	106,000	83,070
Unwinding of the discount factor (interest expense)	2,052	1,502
Deficit contribution paid	(12,130)	(8,896)
Remeasurements - impact of any change in assumptions	3,057	(676)
Remeasurements - amendments to the contributions schedule	-	31,000
Closing liability	<u>98,979</u>	<u>106,000</u>

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.

24. RELATED PARTY TRANSACTIONS

Barry Hughes is a trustee of Julian House and group chief executive of Selwood Housing Group. Julian House Trading (JHT) provided a window cleaning service to Selwood Housing with a contract value of approximately £30,000 per annum. During the year sales to Selwood Housing Group were £29,078 in total.

Sue Porto, a trustee of Julian House from February 2017, is the chief executive of St John's Foundation. During the year grants totalling £11,185 and £14,173 were received by Julian House and Julian House Trading respectively. At the year end date further grants totalling £26,055 and £13,490 received from St John's Foundation were included in deferred income.

The trustee, Matthew Graham, is also a partner of Mowbray Woodwards solicitors. During the year purchases totalling £3,475 (2016: £3,403) were made from and donations and fundraising income totalling £4,020 (2016: £4,000) were received from Mowbray Woodwards.

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