



JULIAN HOUSE

REPORT OF THE BOARD OF TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

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**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

Registration number (under the Industrial and Provident Societies Act 1965 now the Co-operative and Community Benefit Societies Act 2014.): **19305R**

Registered with the Tenant Services Authority (now the Housing and Community Agency) as a Registered Provider - registration number: **L4549**

Registered office: 55 New King Street, Bath BA1 2BN

Board of Trustees:

Elected	Libby Gawith	Chair
	Bob Alderman *	
	Lee Burman	(Appointed February 2015)
	Myra Dow	(Appointed February 2015)
	Matthew Graham	
	Barry Hughes	
	Jonathan O'Shea	(Resigned December 2014)
	Sean McDonagh	(Resigned March 2015)
	Edward Rowberry	
	Ben Simpson	
	Andrew Stafford	(Appointed October 2014)
	Christine Tuckerman	(Resigned March 2015)
	Roger Wain-Heapy	
	Claire Wynne-Hughes *	
	Michael Whitcroft	

* on the Board for more than 9 years

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 & Secretary
Cecil Weir	Funding & PR Director

Auditors: Bishop Fleming LLP, 16 Queen Square, Bristol BS1 4NT

Bankers: Lloyds TSB, Milsom Street, Bath BA1 1DN
Bank of Scotland, Bath Street, Glasgow GL2 2DN
CAF Bank Ltd, Kings Hill, Kent ME19 4JQ
Monmouthshire Building Society, Monmouthshire House, John Frost Square, Newport, South Wales NP20 1PX

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees present their report together with financial statements for the year ended 31 March 2015.

Our Vision

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

Julian House's 2015-19 Strategic Aims and Objectives

1. Deliver high quality and innovative services with excellent outcomes.
2. Be the lead provider and a major influence in the development of lasting solutions to homelessness and the causes of homelessness in the communities in which we work.
3. Empower Service Users to have choice, control and a louder voice; both within Julian House and in society.
4. Value staff and volunteers and provide effective management, training and development opportunities, to reach their potential.
5. Grow and develop new services in response to unmet need, through fundraising, partnerships and Social Enterprise.
6. Be financially strong, use resources effectively and take a strategic approach to managing risk.

Julian House provides support services to people who have experienced street homelessness, domestic abuse, the criminal justice system, addictions or social exclusion. Our principal services operate across Bath & NE Somerset (B&NES), Wiltshire, Bristol and South Gloucestershire, with fundraising, training and reporting services operating more broadly in the South West.

Our housing and support services seek to tackle the immediate challenges, often when individuals are facing crisis situations, but increasingly we are developing services that help with the wider issues such as addiction and unemployment. This has resulted in a year that has seen significant growth in our services and, to support that growth, we have been willing to invest from reserves – as a response to unmet need; to improve existing service delivery; and to ensure the long term viability of the organisation.

The work of Julian House is carried out by a team of 90 staff (full and part-time) who are tasked with running its projects and services across 21 sites and that work would be immeasurably more difficult without the continued support of a large pool of volunteers. When we were founded in 1987, volunteers provided both leadership and staff cover and, despite significant growth since then, they remain key to much of our work.

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

Activities in 2014/15

This has been a busy year for the organisation. Significantly, amongst our core activities –

- 343 individual men and women have accessed our emergency hostel accommodation in Manvers Street (up from 270 in 13/14)
- 191 of these were supported into positive move-on accommodation – for example, supported or independent accommodation (up from 165 in 13/14)
- We now provide directly 108 supported housing and hostel bed spaces (up from 97 in 13/14)
- Julian House social enterprise businesses achieved a turnover of £640k
- 87 women affected by domestic abuse were supported through the Freedom Programme and Recovery Toolkit
- 144 individuals accessed the Meaningful Occupation Programme and other training initiatives

Five new statutory funded contracts were won during the year:

- A Homeless Hospital Discharge Service operating from the Royal United Hospital
- A Gypsy and Traveller Outreach Service operating in B&NES – developing improved access to health and housing services
- Funding for a support worker from Avon and Somerset Police commissioners for our IMPACT service
- An Outreach service for B@NES
- A Substance Misuse Recovery Support Service in Trowbridge, which is due to begin in the coming financial year.

Following the merger of St Vincent's Housing into Julian House in September 2013, the St Vincent's 'Learning and Guidance' service grew during the year from 16 to 19 bed spaces - offering more opportunities to men and women seeking to come to terms with alcohol addiction in this unique environment.

Significant changes have also taken place within our trading subsidiary, Julian House Trading Ltd. Following discussions in the previous year, Aspire Community Enterprise Ltd came under Julian House Trading from the first of April 2014. In June 2014 our second Bike Workshop opened in Trowbridge with a third workshop opening in November 2014 in Bristol. The collective opportunities for employment support across the subsidiary are now transformed.

Julian House continues to review projects to ensure charitable income is not used without a high level of impact. Guided by this principle the small social enterprise Bath Soup Company was discontinued with the loss of one part time role.

Structure, Governance & Management

The organisation 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 1988. The organisation is also a Registered Provider, registered with the Homes and Communities Agency.

The strategy and 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.

In 2005 the Board tailored its own Code of Governance based on the *Competence & Accountability 2004* document, produced for members of the National Housing Federation. This was in line with the flexibility offered in paragraph A1 of the Code and we seek to abide at all times by the principles of good governance outlined in that document. The Julian House Code explicitly states how the NHF Code has been interpreted and implemented within Julian House and it is incorporated into the organisation's constitution.

At 31 March 2015 there were 12 members, each of whom held a single £1 share. This is the limit of their liability should the organisation be wound up.

Julian House has one subsidiary, Julian House Trading Limited (JHT), which is a company limited by shares, which are all held by Julian House. Since April 2011 JHT has operated as a social enterprise which offers employment and training opportunities to disadvantaged individuals. Any profits are to be used to further the aims of Julian House. The Chair of JHT Board of Directors attends the Julian House board meetings.

Policy for admitting and removing shareholders

The Julian House policy for admitting and removing shareholders is that:

- Only appointed or elected Board members may become shareholders.
- Once an appointed or elected Board member ceases to be a Board member then they cease to be a shareholder.

Recruitment & Appointment of Board Members

At each AGM one third of the elected Board members are required to stand down. At the last September 2014 AGM Libby Gawith and Ben Simpson stood down and were duly re-elected. The procedure was amended in 2014 and in future Board members will serve fixed three year terms, with a maximum of three terms. A retiring board member who has completed the nine years on the board can stand for election again after twelve months.

During the year Jonathan O'Shea, Sean McDonough and Christine Tuckerman stood down. Following an external recruitment process, where specific skills were identified and sought, Andrew Stafford, Lee Burman and Myra Dow were appointed to the Board.

Board Members' Induction & Training

New Board members undergo a period of induction. They receive an induction pack containing details of Board and management structures, a copy of the organisation's Code of Governance, its Rules (constitution), and information on all the organisation's projects and services.

Within the first few weeks new members are briefed by each member of the Senior Management Team on the content and issues of their respective areas of responsibility and go on to visit services to meet staff and service-users. Board members are required to sign an 'Agreement of Board Membership' to signify their understanding of their role and responsibilities as a Board member.

Risk Management

The Board conducts a review of the major risks to which the organisation is exposed and a risk register has been established and is updated at least annually. Where appropriate, systems have been established to mitigate the 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.

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.

Organisational Structure

Julian House seeks to maintain a Board size of between 12 and 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, on significant issues, the staff representatives are asked for their comments before a decision is taken and those views are minuted.

Related Parties

In so far as it is complimentary to the organisation's objects, the Julian House is guided by both local and national policy. We also strive to work in partnership with other voluntary agencies, statutory agencies, and service commissioners to achieve the best overall outcomes for existing and future service-users.

Julian House plays a major role in shaping service developments affecting its Service-User Group in B&NES through active participation in a wide range of statutory and voluntary sector forums.

Principal Funding Sources

Statutory Funding

Our principal funding is from the B&NES *Supporting People & Communities* grant, which is provided to B&NES by the Department of Communities & Local Government (DCLG.) Additional sources of funding have been broken down in note 16 to the accounts, the projects are as follows:

- Outreach in B&NES
- Criminal Justice Service in South Gloucestershire (IMPACT)
- Homeless Hospital Discharge Service at Royal United Hospital
- Gypsy and Traveller Outreach Service

Rent

The second major category of income derives from rents, normally paid via housing benefit. The rent levels charged by the organisation reflect the costs incurred by the organisation in providing and managing the accommodation.

Income from Non-Social Housing Activities

This was a very successful year for voluntary income, with £455k raised in the year (up from £345k in 13/14). The highly successful Auction of Promises (a bi-annual event) made a significant contribution towards this achievement but the charity's largest voluntary strand of support remains individual giving, which performed extremely well again this year - boosted by a handful of substantial one off gifts.

Support from legacies which is normally unbudgeted was modest for the year, at £5k, but this follows on from an exceptional total during the previous year (£363k).

Over the years we have been successful in building up a diverse range of income streams to help support our frontline services and this diversity has helped it weather the financial pressures of a protracted recession. The other major factor has been the commitment of its supporters and the community at large.

In addition to the monetary support which event participants and donors give to our appeals and activities, Julian House is also indebted to the many individuals and organisations that provide targeted support in kind. These include high quality venues, valuable consultancy services, attractive auction lots and very practical items such as office furniture and IT equipment – for all of this support we are most appreciative.

The growth of our projects in Bristol (St Vincent's, Aspire, a new bike workshop and further criminal justice services) has been well supported by a small fundraising team there. New events have been organised and local businesses have seen the important value of the various services – as have a number of grant making trusts.

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On the retail front stock supply has been a challenge but with a total turnover of £447k the four shops are now making a significant contribution towards the organisations's financial wellbeing. Although we are keen to expand the retail estate, finding new sites with good footfall and realistic rents has been another challenge.

Also worth highlighting are the many volunteers who work in the organisation's shops and play key roles in events such as the Circuit of Bath Walk, Auction of Promises and Opera in the Park. We thank all our volunteers for their contribution towards the work of Julian House.

Julian House Trading Ltd (JHT)

During the year the Board's strategy of diversifying income and growing employment services was realised with the acquisition of Aspire Community Enterprise Ltd (now trading as 'Aspire'). This was subsumed into the JHT subsidiary. The successful Bath Bike Workshop model was replicated with the development of a bike workshop in Trowbridge in June 2014 and a further branch opened in Bristol in November 2014. The three workshops collectively have helped the subsidiary to develop efficient systems of operation and negotiate more preferential rates for the purchasing of bikes and spare parts.

The combination of the three bike workshops and Aspire have transformed Julian House's capacity to offer supported employment options as well as diversification of the income stream. Once the development phase of new services passes, any profits from JHT are reinvested back into the business or gifted back to Julian House for its frontline projects. The inter-company relationship between Julian House and Julian House Trading has been formalised with loans.

JHT performance during the period has been good with turnover increasing from £148k to £636k. During 2014/15 our social enterprises provided employment for eight young apprentices and work experience and skills development opportunities for 91 people with a history of homelessness, offending and addiction.

Investment Policy

Julian House retains a prudent amount in an interest bearing bank current account to cover immediate outgoings. The balances of the reserves are held in a bank and building society account paying competitive rates of interest.

Reserves Policy

The Julian House Reserves Policy takes into account the risks associated with its major funding streams and the predicted cash flow requirements during the year. Our future strategy is considered and funds are allocated according to our business plan for future years.

Restricted reserves are those donated, or raised, for use for a particular purpose. Our restricted reserve is shown in note 15 and 16 in the accounts.

Designated reserves are unrestricted funds set aside at the discretion of the Trustees for specific purposes.

**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

The free reserves are the unrestricted funds less the capital reserve. The capital reserve is invested in our fixed assets. Our current capital reserve is £1.1m of which £222k is restricted as it was raised specifically for the improvement of Manvers Street Hostel.

The free reserves are allocated by the Trustees as follows:

- The Revenue Reserve is held to cover any possible financial risk to Julian House and is £610k.
- The Premises Sinking Fund is money put aside for major repair and maintenance and stands at 10% of the value of our properties. The reserve is the anticipated spend for the following year and stands at £126k
- The Development Fund is to allow Julian House to provide more services to homeless people in B&NES and the surrounding local authority areas and is £321k.

Responsibilities of the Board of Trustees

The Co-operative and Community Benefit Societies Act 2014 requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Julian House and its subsidiary and the surplus or deficit for that period. In preparing these financial statements the Board of Trustees is required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Julian House will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Julian House and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Board is also responsible for safeguarding the assets of Julian House and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

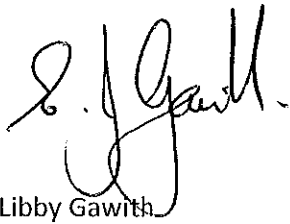
The audit services were reviewed and tendered in 2012. Bishop Fleming LLP were appointed in 2012 and retained to 2015.

**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

Going concern

The Board of Trustees has a reasonable expectation that Julian House has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements.

Approved by the Board of Trustees on 3/8/2015 and signed on its behalf by:-



Libby Gawith

Chair

Independent Auditor's Report to the Members of Julian House

We have audited the financial statements of Julian House for the year ended 31 March 2015 which comprise Income and Expenditure Account, the Balance Sheet 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)].

This report is made solely to the 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 committee of management and auditor

As explained more fully in the Committee of Management's Responsibilities Statement set out on page 10, the Committee of Management is responsible for the preparation of financial statements which 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 (APB'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 society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; 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.

**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Co-operative and Community Benefit Societies Act 2014.

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:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Joseph Scaife

Joseph Scaife FCA DChA
Statutory Auditor
Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date 12/8/15

JULIAN HOUSE
 FINANCIAL STATEMENTS
 YEAR ENDED 31 MARCH 2015

JULIAN HOUSE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

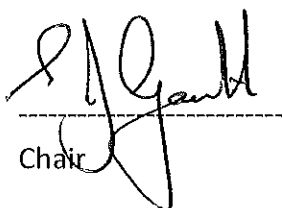
FOR THE YEAR ENDED 31 MARCH 2015

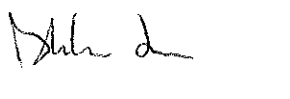
		2015	2014
	Notes	£	£
TURNOVER	2a	2,986,878	2,362,461
OPERATING COSTS	2a	(3,256,734)	(2,223,919)
OPERATION SURPLUS/(DEFICIT)		(269,856)	138,542
Interest Receivable and Other Similar Income	6	5,638	7,816
Mortgage Interest Payable and Similar Charges		(3,758)	(4,072)
Legacy Income		5,000	364,543
(Deficit)/Surplus on Ordinary Activities before Taxation		(262,976)	506,829
Tax on Surplus on Ordinary Activities	21	-	-
(DEFICIT)/SURPLUS FOR THE YEAR		(262,976)	506,829

There were no other recognised surpluses or deficits other than those included in the Income and Expenditure Account for the above two financial years.

These Revenue Accounts were approved by the Board of Trustees at its meeting on

3 August 2015


 Chair


 Secretary


 Board member

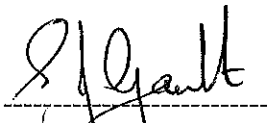
**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

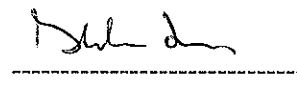
JULIAN HOUSE CONSOLIDATED BALANCE SHEET AT 31 MARCH 2015

	Note	Julian House only		Julian House Group	
		31 Mar 2015 £	31 Mar 2014 £	31 Mar 2015 £	31 Mar 2014 £
Tangible assets					
Freehold and leasehold properties	7	1,221,638	1,265,003	1,254,483	1,265,003
Fixtures, fittings and equipment	8	102,929	113,843	152,653	125,987
		1,324,567	1,378,846	1,407,136	1,390,990
Investments					
Investment in subsidiary	9	2	2	-	-
		1,324,569	1,378,848	1,407,136	1,390,990
Current assets					
Debtors	10	491,837	199,598	301,023	134,610
Stock		-	-	24,332	14,877
Bank and cash balances		833,415	1,373,653	889,573	1,421,132
		1,325,252	1,573,251	1,214,928	1,570,619
Creditors: amount falling due within one year	11	(210,964)	(271,506)	(288,193)	(287,636)
Net current assets		1,114,288	1,301,745	926,735	1,282,983
Total assets less current liabilities		2,438,857	2,680,593	2,333,871	2,673,975
Creditors: amount falling due after one year	12	(187,933)	(202,078)	(187,933)	(202,078)
Total assets less liabilities		2,250,924	2,478,515	2,145,938	2,471,895
Capital Reserves					
Share Capital	13	12	13	12	13
Capital Reserves	14	901,290	910,323	901,290	910,323
Restricted Capital Reserve	15	221,778	257,993	221,778	257,993
Restricted Revenue Reserve	16	70,788	92,026	70,788	92,026
Free Reserve – Designated	17	447,056	723,000	342,070	723,000
Free Reserve – Revenue	17	610,000	495,160	610,000	488,540
		2,250,924	2,478,515	2,145,938	2,471,895

**JULIAN HOUSE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

These financial statements were approved by the Board of Trustees at its meeting on
3 August 2015



Chair

Secretary

Board member

The accompanying accounting policies and notes form an integral part of these financial statements.

**JULIAN HOUSE
PRINCIPAL ACCOUNTING POLICIES
YEAR ENDED 31 MARCH 2015**

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies is set out below.

Basic of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom financial reporting standards, the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Direction for Private Registered Providers of Social Housing 2012

The group financial statements consolidate the results of the Julian House and Julian House Trading Limited. As a consolidated income and expenditure account is published, a separate income and expenditure account for the parent entity is omitted from the group financial statements.

Turnover

Income comprises donations and grants received by Julian House together with income from fund-raising and trading subsidiary, exclusive of Value Added Tax where applicable. Donations and fund-raising income are recognised on a received basis. Grants and income from trading are recognised on a receivable basis.

Voluntary help and gifts in kind

No value has been put on the help received from Julian House's many volunteers during the year. Individual gifts in kind of significant value are valued at estimated cost to the donor at the time of the gift and included in the Income and Expenditure Account; however there are numerous small gifts that cannot be quantified.

Legacy income:

Legacies are recognised as income when there is entitlement, certainty of receipt and measurability of the legacy. Recognition is therefore dependent on the type of legacy, with pecuniary legacies recognised when notification is received, and residuary legacies recognised when amounts are distributed or when the final accounts under the will are agreed. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Administration costs

Administration costs relating to provision of services have been allocated to the provision of services.

Pension costs

The cost of providing retirement pensions and related benefits is charged against revenue over the periods benefiting from the employee's services.

**JULIAN HOUSE
PRINCIPAL ACCOUNTING POLICIES
YEAR ENDED 31 MARCH 2015**

Stock accounting policy

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Freehold and leasehold properties

The net cost of properties, after deduction capital grants received, is written off on a straight line basis over the expected economic useful lives of the assets, at the following rates:

Freehold property	Over 50 years
Initial costs of leasehold property	Over 25 years
Major refurbishment of leasehold property	Over remaining life of lease
Subsequent improvements to freehold/leasehold property	Over 10 years

Other fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Only items valued at more the £1,000 are capitalised. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Office equipment, machinery, fixtures and fittings	20% straight line
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Operating leases commitments

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease terms. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

FUND ACCOUNTING

Capital reserves

Where Julian House has received grants or donations to specifically finance capital expenditure on properties, fixtures, fittings and office equipment the amount of the grant is transferred to specific restricted capital reserve.

Once the reserve has been spent on purchasing an asset the capital reserve is written down at the same rate as the asset is depreciated.

Where other funds are used to purchase fixed assets, an equivalent value is transferred into unrestricted capital reserves, and written down at the same rate as the asset is depreciated

**JULIAN HOUSE
PRINCIPAL ACCOUNTING POLICIES
YEAR ENDED 31 MARCH 2015**

Other Reserves

Restricted reserves

Where Julian House has received grants or donations specifically to finance revenue expenditure, the amount of the grant is transferred to a specific restricted reserve.

Unrestricted designated reserves

Unrestricted designated reserves are reserves designated by the Board for specific purposes.

Unrestricted revenue reserves

Unrestricted funds are other incoming resources received or generated for expenditure on the general objectives of Julian House.

Working capital is retained in bank accounts.

Taxation

As an exempt charity, Julian House is exempt from income tax under section 505 Income and Corporation Taxes Act 1998. No liability to corporation tax arose in 2015 or in 2014.

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

2. NOTES TO THE FINANCIAL STATEMENTS

Note 2a

PARTICULARS OF TURNOVER AND OPERATING COSTS

	2015			2014		
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£	£	£	£
Social Housing Lettings (note 2b)	917,128	1,063,323	(146,195)	863,160	888,860	(25,700)
Other Social Housing Activities						
Supporting People	327,556	401,229	(73,673)	353,995	430,617	(76,622)
Homeless Link	71,281	110,419	(39,138)	95,009	110,316	(15,307)
Other	114,034	190,763	(76,729)	54,954	149,768	(94,814)
Non-Social Housing Activities						
Fundraising	455,257	136,343	318,914	344,541	117,850	226,691
Retail	446,994	358,963	88,031	350,442	255,229	95,213
Julian House Trading	640,583	675,715	(35,384)	148,683	149,060	(377)
Cost of restructure		39,609	(39,609)	-	-	-
Other	14,297	280,370	(266,073)	151,677	122,219	29,458
	2,986,878	3,256,734	(269,856)	2,362,461	2,223,919	138,542

**JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

Note 2b

PARTICULARS OF INCOME AND EXPENDITURE ON LETTINGS

	2015	2014
	£	£
Income from Social Housing		
Rent Receivable net of identifiable service charges	992,244	845,647
Service Charges Receivable	72,333	60,913
Gross Rental Income	1,064,577	906,560
Less: Rent losses from Voids	(101,650)	(43,400)
Voids from New Projects	(45,799)	-
TURNOVER FROM SOCIAL HOUSING LETTINGS	917,128	863,160
Expenditure on Social Housing Lettings		
Rent	282,336	172,028
Management	451,677	358,055
Services	119,594	206,952
Routine Maintenance	66,176	44,696
Bad Debts	28,666	22,821
Depreciation of Housing Properties	72,569	65,767
Other Costs	42,305	18,541
Operating Costs on Social Housing Lettings	1,063,323	888,860
Operating (Loss) on Social Housing Lettings	(146,195)	(25,700)
Number of Units	108	81
The average assured weekly rent was:	171.46	204.93

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

Note 3. Operating surplus/deficit on activities	Julian House only		Julian House Group	
	Year Ended		Year Ended	
The surplus/(deficit) on activities is stated after charging:	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014
Notes	£	£	£	£
Depreciation:				
Freehold property	7	36,667	35,572	36,667
Leasehold property	7	38,154	38,392	39,651
Fixtures, fittings and equipment	8	43,254	45,865	50,383
Auditors remuneration: for audit services		6,015	9,122	15,152
				9,122

4. Employment

The average number of full-time-equivalent persons employed by Julian House during the year was 71 (2014 48).

Staff costs during the year were:	Julian House only		Julian House Group	
	Year Ended		Year Ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014
	£	£	£	£
Wages and salaries	1,267,161	1,059,960	1,592,810	1,117,791
Social security costs	106,552	86,544	128,280	91,573
Pension costs	14,543	18,054	17,985	18,054
	1,388,256	1,164,558	1,739,075	1,227,418

5. Directors emoluments and interest

Non-executive directors (elected members of the Board of Trustees)

In accordance with Board policy non-executive directors did not receive any emoluments (2014 £nil). No expenses were paid to non-executive directors (2014 £ nil).

Directors

The number of directors who earned more than £50,000 per annum:

	2014/2015	2013/2014
£50 - 60,000 p.a.	0	1
£60 - 70,000 p.a.	1	0

The pension contribution was £3,583 (2014 £3,037). The Chief Executive is a member of the Social Housing Pension Scheme administered by The Pensions Trust.

The additional liable pension contribution for a previous director at 31 March 2015 is £8,624.

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

6. Interest receivable and similar income

	Julian House only		Julian House Group	
	Year Ended		Year Ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014
	£	£	£	£
Interest received on cash balances	5,638	7,816	5,638	7,816
Interest received on JHT Loan	980	330	-	-
	6,618	8,146	5,638	7,816

7. Tangible fixed assets

Freehold and leasehold properties

Julian House owns the freehold to the Head Office in New King Street and two properties in Corn Street (9 bed residence). Julian House leases the four shops and several accommodation projects.

a. Julian House only	Head Office	Social Housing/Retail		Total
	Freehold	Freehold	Leasehold	
	Property	Property	Property	
	£	£	£	£
Cost				
At the beginning of the year	417,771	682,280	858,371	1,958,422
Transfer between classes	-	-	-	-
Additions during the year	8,527	1,390	21,539	31,456
At the end of the year	426,298	683,670	879,910	1,989,878
Capital Grants				
At the beginning of the year	-	-	222,400	222,400
Additions during the year	-	-	-	-
At the end of the year	-	-	222,400	222,400
Depreciation				
At the beginning of the year	106,244	178,761	186,014	471,019
Additions during the year	19,317	17,350	38,154	74,821
Transfer between classes	72,213	(72,213)	-	-
At the end of the year	197,774	123,898	224,168	545,840
Net Book Value				
At the beginning of the year	311,527	503,519	449,957	1,265,003
At the end of the year	228,526	559,772	433,340	1,221,638

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

b. Julian House Group	New King Street	Social Housing/Retail/JHT		Total
	Freehold Property	Freehold Property	Leasehold Property	
	£	£	£	£
Cost				
At the beginning of the year	417,771	682,280	858,371	1,958,422
JHT property	-	-	70,707	70,707
Additions during the year	8,527	1,390	55,881	65,798
At the end of the year	426,298	683,670	984,959	2,094,927
Capital Grants				
At the beginning of the year	-	-	222,400	222,400
JHT property	-	-	70,707	70,707
At the end of the year	-	-	293,107	293,107
Depreciation				
At the beginning of the year	106,244	178,761	186,014	471,019
Charge for the year	19,317	17,350	39,651	76,318
Transfer between classes	72,213	(72,213)	-	-
At the end of the year	197,774	123,898	225,665	547,337
Net Book Value				
At the beginning of the year	311,527	503,519	449,957	1,265,003
At the end of the year	228,524	559,772	466,187	1,254,483

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

8. Office Equipment, Machinery, Fixtures and Fittings

a. Julian House only

	Office Equipment, Machinery, Fixtures and Fittings
	£
Cost	
At the beginning of the year	302,222
Additions during the year	32,340
At the end of the year	<u>334,562</u>
Depreciation	
At the beginning of the year	188,379
Charge for the year	43,254
At the end of the year	<u>231,633</u>
Net Book Value	
At the beginning of the year	<u>113,843</u>
At the end of the year	<u>102,929</u>

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

b. Julian House Group

**Office Equipment,
Machinery, Fixtures and
Fittings**

£

Cost

At the beginning of the year	330,725
Additions during the year	83,790
Items brought in on merger	32,378
Disposals during the year	(20,952)
At the end of the year	<u>425,941</u>

Capital Grants

At the beginning of the year	15,889
Additions during the year	5,793
Disposal during the year	(6,000)
At the end of the year	<u>15,682</u>

Depreciation

At the beginning of the year	188,849
Charge for the year	50,383
Assets brought in at merger	28,659
Disposals during the year	(10,285)
At the end of the year	<u>257,606</u>

Net Book Value

At the beginning of the year	<u>125,987</u>
At the end of the year	<u>152,653</u>

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

9. Fixed asset investments - Julian House Trading Ltd

Julian House owns 100% of the share capital of Julian House Trading Ltd. The share capital is £2.

Julian House Trading Ltd is a private limited company, incorporated in England, trading as Julian House Bike Workshop (in Trowbridge, Bath and Bristol), a social enterprise selling refurbished bicycles and Aspire, a social enterprise providing training for apprentices.

The company's financial statements for the year ended 31 March 2015 show the following:

	Year Ended	
	31 Mar 2015 £	31 Mar 2014 £
Turnover	640,331	148,683
Cost of Sales	(360,682)	(51,034)
Other Operating Costs	(315,033)	(97,696)
	<u>(35,384)</u>	<u>(47)</u>
Interest Paid to Julian House	(980)	(330)
	<u>(36,364)</u>	<u>(377)</u>

10. Debtors

	Julian House only		Julian House Group	
	Year Ended		Year Ended	
	31 Mar 2015 £	31 Mar 2014 £	31 Mar 2015 £	31 Mar 2014 £
Loan to Subsidiary	196,000	66,000	-	-
Amounts due from subsidiary	60,410	6,179	-	-
Arrears of Housing Benefit	62,160	34,903	62,160	34,903
VAT	-	-	4,248	4,931
Accrued Building Society Interest	-	4,383	-	4,383
Other debtors and prepayments	173,267	88,133	234,616	90,393
	<u>491,837</u>	<u>199,598</u>	<u>301,023</u>	<u>134,610</u>

The loan to the Subsidiary is for longer than one year

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11. Creditors amounts falling due within one year

	Julian House only		Julian House Group	
	Year Ended		Year Ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014
	£	£	£	£
Deferred income	73,980	90,270	107,561	90,270
Other Taxes and social Security Costs	39,184	34,244	39,340	34,244
Other creditors and accruals	84,236	133,428	127,728	149,558
Mortgage account	13,564	13,564	13,564	13,564
	210,964	271,506	288,193	287,636

12. Creditors amounts falling due after one year

	Julian House only		Julian House Group	
	Year ended		Year ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2015	2014	2015	2014
	£	£	£	£
Mortgage account	187,933	202,078	187,933	202,078

Julian House took out this mortgage in 2007 with the Bank of Scotland to facilitate the purchase of the Corn Street properties, which form the security for the mortgage. Interest on the mortgage is charged at 1.3% above bank base rate.

	£
Amount repayable between 1 and 2 years	13,564
Amount repayable between 2 and 5 years	40,692
Amount repayable after 5 years	133,677

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

13. Share capital

Allotted, issued and fully paid: 12 ordinary shares of £1 each (2014 £13)

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.

14. Capital Reserve Unrestricted

	Freehold £	Leasehold £	Fittings/Office Equipment £	Total £
Balances brought forward	599,406	191,965	118,952	910,323
Transfer to Reserves	9,917	21,538	32,340	63,795
Transfer from Reserves	(22,524)	(1,940)	(48,283)	(92,827)
	<u>(12,607)</u>	<u>19,598</u>	<u>(16,203)</u>	<u>(9,033)</u>
Balance carried forward	<u>586,799</u>	<u>211,563</u>	<u>102,928</u>	<u>901,290</u>

15. Capital Reserves Restricted

	Freehold £	Leasehold £	Fixtures and Fittings £	Total £
Balance brought forward	-	257,993	-	257,993
Transfer to Reserves	-	-	-	-
Transfer from Reserves	-	(36,215)	-	(36,215)
	-	<u>(36,215)</u>	-	<u>(36,215)</u>
Balance carried forward	<u>-</u>	<u>221,778</u>	<u>-</u>	<u>221,778</u>

Capital reserves represent funds used to purchase fixed assets and depreciation charged against these fixed assets reduces relevant capital reserve, that the net book value of the asset is fully matched by capital reserves. The restricted capital reserve is for the refurbishment of the Hostel.

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

16. Restricted Revenue Reserve

	Balance brought forward	Income brought in	Expenditure	Balance carried forward
	£	£	£	£
St Vincent's	13,000	-	(13,000)	-
New Highway	78,988	-	(8,200)	70,788
Homeless Link Fund	-	71,281	(71,281)	-
Supporting People Grant	-	327,556	(327,556)	-
IMPACT South Gloucestershire	-	13,750	(13,750)	-
Homeless Hospital Discharge Service	-	20,834	(20,834)	-
Gypsy and traveller outreach service	-	21,000	(21,000)	-
Outreach	-	11,203	(11,203)	-
Commissioners community action fund (Police community trust)	-	3,240	(3,240)	-
Total	91,988	468,886	(490,086)	70,788

a. St Vincents

St Vincents and Julian House merged in September 2013 where St Vincents reserves were transferred in to Julian House's Balance Sheet. The value of the transfer was £44,174 of which £44,174 has been spent on activities at St Vincents since. St Vincents is now fully integrated into Julian House and will be treated as any other cost centre.

b. 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.

c. Homeless Link Fund

This grant is provided by Homeless Link and is restricted to be used to develop an outreach team and provide support to rough sleepers, to enable their use of crisis accommodation, whilst enabling them to make positive lifestyle changes. This contract ended in December 2014

d. Supporting People Grant

The Supporting People grant is restricted to be used for specific purposes as per a contract and KPIs. This grant is in place to enable Julian House to support our various projects as shown in the Board of Trustees Report. Around 14 days of this payment is deferred as shown in deferred income note 11. This is due to the payment schedule where payment is received mid-month.

e. IMPACT

£5,000 was provided by the Avon and Somerset Police Commissioners Community Action Fund for Julian House to set up the IMPACT programme with Restore Trust whose property we are leasing. Police and Crime Commissioner for Avon and Somerset have granted £12,249 towards a support worker in our IMPACT programme which is a criminal justice project. £13,540 of this has been spent this financial year and £3,709 has been accounted for in deferred income.

f. Homeless Hospital discharge Service

This is a pilot project run from the Royal United Hospital for one year. The project started in November and is funded by Avon and Somerset Rough Sleeper Group and Swindon and Wiltshire Rough Sleeper group.

g. Gypsy and Traveller Outreach Service

This is a pilot service commissioned by Bath and North East Somerset Clinical Commissioning Group, which is working towards reducing health and social inequalities amongst the gypsy and traveller population.

h. Outreach contract

This is an eleven month contracts to provide support for rough sleepers in B&NES.

i. Commissioners community action fund (Police community trust)

£3,240 was granted to contribute toward the crèche at our Freedom Programme.

**JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

17. Other Free Reserves

		Balance brought forward £	Transfer to/from reserves £	Expenditure £	Total £
	Revenue Reserve	495,160	342,432	(227,592)	610,000
Designated Reserves	Premises Sinking Fund	123,000	2,748	-	125,748
	Julian House Trading	(6,620)	-	(98,364)	(104,984)
	Development Fund	600,000	-	(278,705)	321,295
	Total	1,211,540	345,188	(654,661)	902,067

The Revenue Reserve

The Revenue Reserve is held to cover any possible financial risk for Julian House, this has been increased to £610k this financial year to take into account our current risk on new projects and future contracts, this risk is reviewed annually by the Audit and Finance committee.

The Designated Reserves

a. Premises Sinking Fund

Premises sinking fund is money put aside for major repair and maintenance anticipated over the next years. Our policy is to keep 10% of the net book value of our properties.

b. Julian House Trading

The reserves from Julian House Trading brought in to the consolidated accounts.

c. Development Fund

The Development Fund is being built up to allow Julian House to provide more services to homeless people in B&NES and the surrounding areas. Properties for purchase, lease or rent are currently being reviewed as part of our Strategy.

18. Capital Commitments

Julian House does not have any capital commitments at 31 March 2015 (none at 31 March 2014)

19. Contingent Liabilities

Other than the Pension liabilities (described in note 23), there are no contingent liabilities at 31 March 2015 (none at 31 March 2014).

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

20. Operating Lease commitments

At 31 March the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
EXPIRY DATE:	2015	2014
	£	£
Within 1 year	150,292	103,082
Between 2 and 5 years	194,000	113,625
After more than 5 years	78,767	85,567

The value of commitment is the value of the rent payable during the shortest notice period that the organisation has to give and the ageing is based on when the lease term expires.

21. Tax on surplus on Ordinary Activities

As an exempt charity, Julian House is exempt from income tax under section 505 Income and Corporation Taxes Act 1998. No liability to corporation tax arose in 2015 or in 2014.

22. Transactions with directors (non-executive Board members) and other related parties

A Board member, Jonathan O'Shea, was Chief Executive of St John's Hospital which is the owner of one of the properties that Julian House leases. This lease is run at arm's length and within normal commercial terms.

There were no other transactions with related parties during the year.

23. Pension Obligations

A full description of Julian House's pension obligation can be found in Note a. Note b details the potential contingent liability in respect of both schemes.

Some employees contribute to other pension funds. In total the pension charge of £17,985 (2014 £18,054) represents contribution payable to the funds; there was £4,910 outstanding at the year end (2014 £2,458). The SHIPS obligation for 2015/19 will be £8,896.

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
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Pension disclosure

Note a

Pension Trust

1. Julian House participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
2. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.
3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.
6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
8. Julian House paid contributions at the rate of up to 6% during the accounting period. Members paid contributions at the rate of up to 6% during the accounting period.
9. As at the balance sheet date there were one active members of the Plan employed by Julian House. Julian House has closed the Plan to new entrants.
10. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
11. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million.

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
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The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

12. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

13. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.
14. The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.
15. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
16. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.
17. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
18. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.
19. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of

previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

20. When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.
21. The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.
22. Potential employer debt is treated as a contingent liability.

Social Housing Pension Scheme

1. Julian House participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.
2. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.
3. The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.
4. The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67%.
5. The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

Potential employer debt is treated as a contingent liability

JULIAN HOUSE
NOTES TO THE FINANCIAL STATEMENTS
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Note b

The amount of debt can be volatile over time as described above, for the purpose of the accounts the September valuation has been increased by 3% as suggested in the annual update from the Pension Trust. The below is therefore an approximation of the debt on withdrawal as at 31 March 2014.

Pension Trust

Julian House has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2014. As of this date the estimated employer debt for 31 March 2015 is £12,610 (31 March 2014 £9,807) this amount is not due, but would become due if Julian House were to withdraw from the scheme.

Social Housing Pension Scheme

Julian House has been notified by Social Housing Pension Scheme of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt for 31 March 2015 is £377,191 (31 March 2014 £318,794) this amount is not due, but would become due if Julian House were to withdraw from the scheme.

