

Charity number: 1067125

Julia's House Limited

Registered number: 03465868

Trustees' report and financial statements

For the year ended 31 December 2018

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

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JULIA'S HOUSE LIMITED

(A Company Limited By Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2018

Trustees

Warren Munson, Chairman
Susan Cianchetta
Brian Hutchinson, Treasurer
Elizabeth Labrow
Dr Simon Pennell
Vernon Phillips
Barrie Thomas
Christopher Twaits
Peter Wragg
Jacqueline Scrace
Malcolm Sevenoaks (appointed 10th September 2018)
Lisa Johnston (resigned 10th August 2018)

Company registered number

03465868

Charity registered number

1067125

Registered office

Barclays House, 1 Wimborne Road, Poole, Dorset, BH15 2BB

Company secretary

M R Hudson

Chief executive officer

Martin Edwards

Independent auditor

Mazars LLP, 5th Floor, Merck House, Seldown Lane, Poole, BH15 1TW

Bankers

Barclays, 61 Old Christchurch Road, Bournemouth, Dorset, BH1 1ER

JULIA'S HOUSE LIMITED

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Report for the Trustees for the year ended 31 December 2018

"We found we could never enjoy a proper family day out because we would have to split up, one of us with Eleanor and one with William. We decided to get round this by having our Julia's House care for William on the days we are going out. Once a month we go somewhere as a family but William's nurse and carer come along too. We've taken them swimming, for a walk in the woods – all different places. By using our care session hours this way, we have been able to enjoy some quality family time - this time together is so precious."

– a Julia's House parent

Julia's House Ltd, known as Julia's House, is a registered incorporated charity, Charity Number 1067125, company number 3465868. The Trustees, who are also directors for the purposes of companies' legislation, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2018. These comply with current statutory legislation and the memorandum and articles of association.

STRATEGIC REPORT

Objectives and Activities

Trust Objectives and Services

Julia's House provided the following services in 2018 to achieve its aims:

1. Hospice and home based frequent respite care through our nurses and carers
2. Hospice and home based end-of-life care
3. Specialist therapies for the children
4. Symptom control by administering medication as directed by primary care givers
5. Regular activities to support siblings, mums, dads and grandparents
6. Bereavement support
7. Research into the further benefits to families of regular respite care, to influence government provision.

These services and benefits are regularly audited for quality through the Care Quality Commission (CQC) as well as:

- the Executive Team is overseen by the Board
- Parents of the children we help sitting on our Board
- Board sub-groups to focus on quality, risk, responsiveness and complaints
- Through annual anonymous surveys of client families.

Progress against agreed strategic objectives is reported regularly to the Board.

Every year we also conduct Best Companies staff survey results of which are analysed and action plans drawn as a result of its findings. In 2018 we held a 2 star 'outstanding' rating and ranked 36th.

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Achievements and Performance: review of activities

Overall Care Service

Julia's House is enormously grateful to all its donors, supporters, fundraisers and volunteers who together enable all of its care services. Our care is your gift to the community. Julia's House continued to provide respite care, emergency and end-of-life care, both hospice-based and in the children's own homes. During the year we supported 166 children with life-shortening or life-threatening conditions, an increase from: 141 in 2017, 130 in 2016 and 108 in 2015.

38 families were registered for bereavement support of which 19 families chose to receive bereavement support from Julia's House.

During 2018 Julia's House also supported 66 siblings receiving additional support.

Overall across our services in Dorset and Wiltshire, 63.95% were provided in the community and 36.05% in the hospices.

Each family has a Julia's House named nurse as their chief contact point. This support, together with a small number of nurses and carers regularly looking after each child, means that the child and family are interacting with familiar staff, people who know them and their individual needs.

The charity's Family Support Services continued to grow, for example:

- Social events for families to relieve their stress and bring some fun back into their lives
- Regular support and outings for the siblings
- Community-based drop-ins for parents and children
- A youth club for older children
- Mini-mates club for pre-school aged children
- Events to support grandparents
- Complementary therapy, such as massage, reflexology and reiki, available to every family member

Julia's House also provides bereavement support, including regular home visits, sibling support, and an annual remembering day for families to gather together to commemorate and reflect on the life of their child.

Wiltshire Hospice and Community Care growth

The signature achievement of the previous year had been the opening of the Julia's House Wiltshire children's hospice, in Devizes. In 2018 the growth continued steadily from 44 families supported in 2017 to 59 families supported in 2018.

Julia's House continued to provide a substantial and growing community care service in Wiltshire. This service now reaches into North Wiltshire and across to the border with Gloucestershire and Somerset. This care includes both regular respite and intensive end-of-life care at home.

Maintaining Service provision and consistency

No child in Dorset experienced any reduction in care as a consequence of the charity extending its care to children in Wiltshire.

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Ongoing nursing staff shortages across the UK along with some unavoidable illness among our care staff affected the provision of care in 2018: 6% of all care hours were cancelled by Julia's House (2.54% in 2017, 2.66% in 2016 and 3.3% in 2015). However, the entire team, across both counties, managed extremely well and most of these care hours were subsequently replaced.

Julia's House annually and anonymously surveys the families of the children we care for, to measure satisfaction with our services. In 2018 responses rose from 20% in previous year to 36% this year. In our 2018 survey, 78.30% of all families who responded were very satisfied and 16.22% were fairly satisfied with our services.

Oncology

In both counties Julia's House continued to provide oncology end-of-life care: intensive support for children and teenagers with end stage cancer, and support for their families. This also gave genuine choice of place of care to more children and families, enabling many more to be cared for at home according to their wishes. Much of this outstanding care by Julia's House has been provided in partnership with other nursing teams.

Julia's House and Together for Short Lives (TFSL) Research

Pro Bono Economics agreed to carry out national economic research into the cost to the State of mental health treatments for families with insufficient respite support. Julia's House and TFSL are co-ordinating the research which is expected to take 12 months. We are currently being matched with a researcher.

Julia's House Life Chances Fund

Recently we put forward the Life Chances Fund (LCF) proposal to our Board. LCF would give the affected children and siblings stepping stones to independence and adulthood, helping with skills, confidence or opportunities, to be open for applications every year. Full details of the fund will be released to staff and the families in February 2019 but there has already been £25,000 put aside in the budget for the above purpose for 2019. A further £50,000 has been budgeted for each of the next three years.

Half of each year's LCF budget would be dedicated purely for counselling/therapies.

The main groupings for LCF grants would be:

- Counselling or Therapies
- Activity Week / School Travel Experience
- Skills / Tuition / Qualification
- Transport

The sub-group of the main Board will review the applications three times per year; therapies/counselling will be discussed by the Senior Management Nursing Team.

Julia's House Safeguarding Champions

Julia's House already has extensive Safeguarding arrangements in its care work. We are now rolling out safeguarding champions into all other staff departments.

One of the Lead Nurses alongside one of the Trustees attended government training for volunteer organisations. As a result, we have decided to roll out Internal training to our champions in February 2019. We will also stress that safeguarding is everybody's responsibility.

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FOR THE YEAR ENDED 31 DECEMBER 2018

Values launch

New organisation values were launched in October with a very positive reaction from staff and volunteers. This has been encouraged through the organisation with training and improved recruitment as well as appraisal processes.

C – Compassionate and caring
H – Honesty and integrity
I – It's up to all of us
L – Listen and learn
D – Determined to excel

"People were very receptive to the values and liked the idea of embedding them within the heart of what we represent and strive to achieve. Changing the appraisal paperwork to incorporate the values and having further line management training (...) was seen as being particularly helpful as was the guidance for interviewing. So... all in all very positively received. The message that the people here this morning walked away with was that if we can pull together, be kind to one another, go the extra mile, make a difference, we will succeed in not only feeling better within ourselves but also in delivering a service of excellence."

- Lisa Bradbury, Lead Nurse

Care Quality Commission (CQC) Inspection

The most recent CQC inspection of Julia's House was in August 2014. In October, Ali Acaster and Martin Edwards met with a representative from the CQC. The meeting was very positive and we were advised that the new inspection process will include regular meetings and information exchange. An inspection visit will take place at some time in 2019 with a few days' notice.

Sharing our knowledge

Julia's House continued to mentor the Alexander Devine Berkshire Children's Hospice Service. Their home care service is very well developed and their children's hospice building opened 2018. We also continued to mentor Ladybug House, a future children's hospice in Seattle, USA and we gave further advice to Asher's Smile, a children's palliative care programme in Florida.

We provide all such advice and guidance free of charge.

Senior Julia's House clinical staff contribute to national forums run by Together for Short Lives, sharing clinical policy, practice and learning in order to help ensure the highest standard of care. Our Director of Care also shares good practice in community children's palliative care, through a forum for Directors of Community Care in Southern England.

In addition, Julia's House consistently promotes to providers in other sectors, including to national authorities, the family benefits of frequent respite care.

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NHS Partnerships

Julia's House continued to receive funds through an NHS Dorset commissioning contract, which combined with a small direct grant from the Department of Health, constituted 5% of our income in 2018. This is a poor level of contribution compared to most children's hospices (which average around 22% of their income from government sources) and adult hospices (which average at least 30%).

The new contract was signed in October 2018. The new contract is more generous than the previous one by about 20% but the statutory income will now represent 5% of our total funding instead of 6% as previously due to the growth of other areas of our income.

We have no plans to seek a commissioning contract from the NHS in Wiltshire.

However, we maintain collaborative relationships with the NHS in both counties, our services are greatly welcomed by front line healthcare staff, and we work together to ensure that children receive the best possible joined-up care.

Financial Review

Julia's House received 95% of its funds from voluntary giving and fundraising, with 5% coming from government (see NHS Partnerships, above). We are hugely thankful for the exceptional generosity of the general public and of private donors in funding our work.

The charity receives or raises support in a variety of ways, including legacies and other donations, fundraising events, community and corporate fundraising, grants from trusts and foundations, a lottery and through a separate trading company Julia's House Trading Limited owned by the charity, a chain of charity shops.

Restricted and designated income, general funds and service continuity

The charity will carry forward £2,643,311 of free general funds into 2019.

Restricted funds are individually itemised. Unrestricted funds have been split into the following headings on the Balance Sheet and within the Notes:

1. Capital funds which represent the net book value of fixed assets owned by the charity.
2. Trading subsidiary funds which represent funds held in the subsidiary used to generate income for the charity and to meet its legal obligations as tenant of a chain of charity shops.
3. Designated funds which have been set aside by the trustees to ensure continuity of care to those who rely on our services, and to meet certain known future financial obligations.
4. General funds which are held because of the charity's high reliance on voluntary funding and the unpredictability of some of those future income streams.

Julia's House is currently achieving their reserves policy of holding between 6 and 12 months' worth of annual operating expenditure in free reserves (including designated care funds).

Julia's House is committed to continuity of care for children and families in Dorset, and to reaching more children, principally by replicating these services in size and scale in Wiltshire. The charity relies on donations and fundraising for 95% of its income. We therefore designate funds to sustain our nursing, care and family support that our beneficiaries rely upon, in the event of serious shortfall in the charity's income.

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Economic uncertainty can also impact on voluntary giving, underlying the need for prudent financial management. The Board considers the charity's current financial position to be appropriate, given the need to balance expanding care services with emerging fundraising support for those services, reliance on voluntary giving, and the wider economic situation.

Volunteers

The charity has around 500 registered volunteers. Our volunteers make a very significant difference to our service provision, fundraising and cost-effectiveness, and the charity is extremely grateful. Roles include fundraising, retail, administration and supporting families. Together our volunteers also play a vital role in raising awareness of Julia's House in their communities.

The charity's Board of Trustees and the Directors of its Trading Company are also all volunteers and are all unpaid.

Julia's House supports its volunteers with regular news bulletins, an annual volunteers' survey, relevant training sessions and a regular away day with informative presentations from different parts of the charity's care services.

Donated office space

Julia's House continues to receive free office space from Barclays Bank, both in Poole for the charity's fundraising and administration, and in Wimborne for its nursing and family support staff. This very generous Gift in Kind further enables the charity to run its fundraising and management in a cost-effective way.

Fundraising practices and performance

Julia's House is regulated by the Fundraising Regulator as part of good practice, and strives to maintain the highest standards of fundraising. The organisation has many thousands of supporters. In 2018 only 2 people used the facility provided by the Fundraising Regulator to stop communication from Julia's House. No complaints about Julia's House were made to the Fundraising Regulator or the Information Commissioner's Office in 2018.

With the charity now only receiving 5% of its income from government sources, Julia's House must continue to benefit from a substantial fundraising operation by staff and volunteers. However, being 95% funded by voluntary/fundraised sources gives the charity greater independence, enabling it to adapt its services or develop new ones more flexibly and promptly.

Julia's House measures the effectiveness of its various fundraising methods, continually looking to develop growth areas and to either fundraise more cost-effectively or reduce time invested in less cost-effective or declining areas. These matters are kept under review by the Board and the Senior Management Team.

In 2018 the charity generated £376,939 of government income, and £5,091,355 of voluntary fundraising or donations.

Excluding its Retail Trading arm, 75% of the charity's expenditure was spent on care services in 2018. This should rise to at least 80% by 2022, with the continued expansion of the charity's care services notably in Wiltshire.

The Retail Trading arm ran the Julia's House chain of shops, which in 2018 generated £1,903,969 of gross income and a net profit of £365,991 (excluding Gift Aid contributions to the charity of £155,431).

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Plans for future periods

The charity's plans for 2019 and beyond

Julia's House aims to ensure that no eligible child in Dorset or Wiltshire is ever turned away for lack of funding or expert staff to care for them.

Our goals include:

1. Ensuring we have sufficient nursing staff to fulfil the demands on our care service. There is a national shortage of paediatric nurses and the charity is implementing a range of actions to enhance both recruitment and retention.
2. Replicating the range and quality of our Dorset care services across Wiltshire, flexibly and according to need.
3. Building on our partnerships with NHS hospitals, community services and Neonatal Intensive Care Units so that more children are referred to our care at the earliest opportunity and our care dovetails with and enhances NHS provision.
4. Removing any fear factor among some parents of children who might be referred to Julia's House. Through good communications, we aim to help them to understand that the word hospice does not always imply being at the very end of life, and that respite care and family support services can help parents to carry on amidst exhaustion and great stress.
5. Lobbying government for greater respite care nationally for such families. Using the results of our national research with Bournemouth University into parental stress, and future research into family wellbeing, we aim to demonstrate that regular respite will save the State from making more costly late interventions.
6. Retention of our CQC 'Outstanding' rating, through vigilant focus on care quality, safety, training, and responsiveness to families' feedback about our services.
7. Growing our income to sustain our increasing care services; ensuring an even spread of income between public, private and retail sources; and reaching 33% retail chain profit margin.
8. Aiming for at least 80% of all non-retail expenditure to be on care services.
9. Retaining a staff engagement benchmark of 2-stars ('outstanding') and aiming for a top-25 national ranking in the Top 100 Places to Work in the Public and Charity Sectors.
10. Continuing to seek breakthroughs and transformational thinking in all we do.

The charity aims to maintain adequate designated and general funds to maintain service continuity. Julia's House will continue to keep its fundraising methods under careful scrutiny to ensure optimum standards, and will ensure compliance with current and future regulations.

Julia's House keeps its finances and performance continually under review and works to a strategic plan under the direction of Chief Executive. The Executive Team develops team goals and individual objectives to achieve the charity's aspirations and is charged with maintaining the requisite high standards across the organisation.

The Trustees are confident that Julia's House can continue to reach out to more beneficiaries, and sustain its existing care commitments. In this way, children with life-shortening or life-threatening conditions will receive the best care, and their families will be supported through exhaustion, helped by new and positive memories, and sustained for all that the future may hold.

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Structure, governance and management

Trust aims and public benefit

The objects of the charity are to 'to raise funds and to provide care and facilities for critically or terminally ill children and their families'. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. Julia's House provides a public benefit by maximising the quality of life for children and young people with life-shortening or life-threatening conditions, to provide respite care throughout childhood, support in emergencies, end of life care, and support for the family. The charity directly helps children in Dorset and Wiltshire; and indirectly children further afield through advice and mentoring for people running other children's palliative care services, and research and lobbying for policy changes to benefit such children and families.

Trustee selection, induction and training

All Julia's House Trustees are unpaid, although expenses may be claimed and remunerated.

Potential new Trustees are assessed according to whether they fulfil a gap in the skill audit of the Board. All Trustees are subject to a Disclosure and Barring (criminal record) check. The charity ensures that new Trustees have thorough induction briefings. All Trustees routinely receive a report from each department in advance of every Board meeting, reviewing performance and assessing new developments and future priorities.

In 2018 we welcomed 1 new Trustee – Malcolm Sevenoaks, new Parent Trustee. Lisa Johnston moved on from being Parent Trustee into the role of Julia's House Ambassador.

Board and executive responsibilities

The non-executive Board determines the Strategic Plan, the annual budget, Reserves and investments policy, risk management and prevention strategies. The Board delegates day-to-day running of the charity and its services to the Executive team.

Board of Trustees

The directors of the company for Companies Act purposes are defined as Trustees in the company's Articles of Association. The Trustees who held office from the 1 January 2018 to the date of this report, unless otherwise stated, were:

Susan Clanchetta (Vice Chairman)
Brian Hutchinson (Treasurer)
Lisa Johnston (resigned September 2018 to become the Ambassador)
Elizabeth Labrow (Care)
Warren Munson (Chairman)
Dr Simon Pennell (Medical)
Vernon Phillips (Parent Representative)
Jacqui Scrace (Care)
Malcolm Sevenoaks (Parent Representative, appointed September 2018)
Barrie Thomas (HR)
Chris Twaits (Legal)
Peter Wragg (Development)

The Board has strong skills and experience in the areas needed for the trust to be well governed. These include medicine, clinical and nursing management, parents of clients / service users, business and commerce, finance, HR and law.

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Risk

The charity operates a Finance & Risk Committee which monitors financial performance, investments, Reserves, and other areas of non-clinical risk, into which the Health & Safety Working Group reports. Clinical policy and risks, service standards and service complaints and compliments are monitored by the Clinical Governance Committee. Minutes from all meetings of all three groups are sent to the charity Board for oversight. In addition, the charity conducts annual anonymous surveys of its client families (the children's parents), its staff and volunteers in order to elicit honest information about how to improve any aspect of the charity, learning points from which are given to the Executive team to implement and are monitored by the Board.

The charity maintains a Risk Register of all serious or significant risks, including in clinical standards, safety and finance. Each risk is quantified according to impact. Action plans are in place to mitigate against these risks. The Register and the action plans are kept under continual review, as well as a formal review annually by the Board.

Future factors that may affect financial performance include the unpredictability of some income areas, particularly legacies and support from major donors. The charity therefore develops support from several other, broader bases, such as community fundraising, appeals, the weekly lottery and the chain of Julia's House charity shops.

The rate of growth in Julia's House care services is carefully monitored to ensure affordability, while new sources of fundraising continue to be developed in tandem.

Investments

The aim of the charity is to achieve an acceptable level of return on its investments, while avoiding having investments in the portfolio that place funds in the hands of businesses of which the charity does not approve, such as tobacco, pornography and child labour. The charity continued to benefit from the services of an expert portfolio adviser, Brewin Dolphin. The Board takes a medium to long term approach to its investments and is confident as to their placement and performance, which it keeps under regular review through its Finance & Risk Committee.

Statement of Trustee responsibilities

The Trustees (who are also directors of Julia's House Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation

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

Management standards

Julia's House holds the highest possible inspection rating of 'Outstanding' from the Care Quality Commission. Julia's House remained in the *Sunday Times* 'Top 100 Places to Work in the Public and Charity Sectors', a nationwide comparative staff survey run by Best Companies, ranked 36th in 2018 (previous year 29th).

Remuneration policy and the Senior Management Team

Julia's House through its Board of Trustees independently benchmarks its staff pay with external pay data of comparable roles in comparably sized organizations, including thirty-five hospices and several hundred charities.

The full time Chief Executive (CEO) Martin Edwards is responsible for ensuring the charity achieves the highest standards of care, clinical governance, training and management, it generates more than £8 million annual income and it has plans for further income growth. It produces innovative research & development, and it lobbies at national and local level for policy change in children's palliative care.

The charity's Development Director Alex Talbot stepped down in January 2019 with all duties and line management handled by the CEO until a suitable replacement is identified.

Julia's House is a CEO-led and Nurse-led service and therefore does not employ doctors. The charity's senior nurse is its full time Director of Care, Ali Acaster, who runs the care services, ensuring the highest standards of clinical care and holistic support, and who also contributes to national improvements in standards and methods of care.

Both the CEO and Director of Care are also responsible for the NHS commissioning contract and liaison with NHS services to ensure optimal and joined-up care for the children. The CEO has a Masters in Law from Oxford University; the Director of Care has a Masters in Clinical Leadership from Southampton University.

The full time Finance Director Ruth Leckenby (FCMA) is responsible for ensuring the charity correctly and fully accounts for all its income, expenditure, investments, payroll, pensions, taxes and other legal and financial obligations. The Finance Director is required to have a professional Accounting qualification.

The part time HR Director Diane de Souza is responsible for ensuring the charity recruits and trains its staff to the highest levels as required by the Care Quality Commission, discharges all its legal responsibilities as an employer and looks after its 500 volunteers and 222 staff in order to provide the best and most cost-effective service. The HR Director is required to be as a minimum a Chartered Member of the Chartered Institute of Personnel & Development.

The CEO and Senior Management Team proposed, and are tasked by the Board with achieving, the charity's expansion of care services and fundraising across Wiltshire, ultimately doubling the charity's reach.

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They each have around 20 years' management experience in relevant fields.

"We feel surrounded by love. We have no family to help us, but we have Julia's House – they are our family now."

– a Julia's House parent

This report was approved by the trustees on *25 March 2019* and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Brian Hutchinson', written over a horizontal line.

Brian Hutchinson, Treasurer

JULIA'S HOUSE LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JULIA'S HOUSE
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Julia's House Limited (the 'charity') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2018 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JULIA'S HOUSE
FOR THE YEAR ENDED 31 DECEMBER 2018

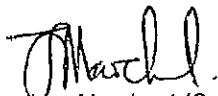
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor
Merck House
Seldown Lane
Poole
BH15 1TW

Date: 28/3/19.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating consolidated income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2018

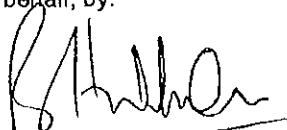
| | Note | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 3,577,944 | 315,267 | 3,893,211 | 3,727,064 |
| Other trading activities | 3, 4 | 3,098,333 | 3,780 | 3,102,113 | 2,872,256 |
| Investments | 5 | 9,725 | - | 9,725 | 4,520 |
| Charitable activities | 6 | 60,303 | 316,636 | 376,939 | 398,746 |
| Total income | | 6,746,305 | 635,683 | 7,381,988 | 7,002,586 |
| Expenditure on: | | | | | |
| Raising funds | 4, 7 | 2,939,660 | - | 2,939,660 | 2,565,666 |
| Charitable activities | 8 | 3,675,099 | 631,166 | 4,306,265 | 3,775,053 |
| Total expenditure | 13 | 6,614,759 | 631,166 | 7,245,925 | 6,340,719 |
| Net income before investment gains and losses | | 131,546 | 4,517 | 136,063 | 661,867 |
| Net gains/(losses) on investments | 19 | (115,658) | - | (115,658) | 258,139 |
| Net income before transfers | | 15,888 | 4,517 | 20,405 | 920,006 |
| Transfers between funds | 24 | 45,217 | (45,217) | - | - |
| Net income | | 61,105 | (40,700) | 20,405 | 920,006 |
| Net movement in funds | | 61,105 | (40,700) | 20,405 | 920,006 |
| Reconciliation of funds: | | | | | |
| Totals funds at 1 January 2018 | | 10,529,532 | 185,764 | 10,715,296 | 9,795,290 |
| Total funds at 31 December 2018 | | 10,590,637 | 145,064 | 10,735,701 | 10,715,296 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
 FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|---|------|-----------|------------|-----------|------------|
| Fixed assets | | | | | |
| Tangible assets | 18 | | 2,545,221 | | 2,645,423 |
| Investments | 19 | | 3,279,083 | | 2,394,741 |
| | | | 5,824,304 | | 5,040,164 |
| Current assets | | | | | |
| Stocks | 20 | 483,811 | | 355,397 | |
| Debtors | 21 | 1,087,576 | | 747,267 | |
| Cash at bank and in hand | 26 | 3,744,528 | | 5,013,784 | |
| | | 5,315,915 | | 6,111,448 | |
| Creditors: amounts falling due within one year | 22 | (404,518) | | (441,316) | |
| Net current assets | | | 4,911,397 | | 5,675,132 |
| Net assets | | | 10,735,701 | | 10,715,296 |
| Charity funds | | | | | |
| Capital funds | 24 | | 2,545,221 | | 2,645,424 |
| Trading funds | 24 | | 365,991 | | 300,327 |
| Designated funds | 24 | | 5,036,114 | | 4,803,054 |
| General funds | 24 | | 2,643,311 | | 2,780,727 |
| Restricted funds | 24 | | 145,064 | | 185,764 |
| Total funds | | | 10,735,701 | | 10,715,296 |

The financial statements were approved by the trustees on 25 March 2019 and signed on their behalf, by:



Brian Hutchinson, Treasurer

The notes on pages 20 to 39 form part of these financial statements.

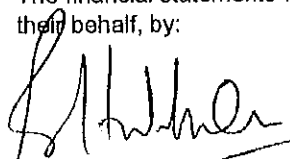
JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|---|------|------------------|-------------------|------------------|-------------------|
| Fixed assets | | | | | |
| Tangible assets | 18 | | 2,545,222 | | 2,645,423 |
| Investments | 19 | | <u>3,279,083</u> | | <u>2,394,741</u> |
| | | | 5,824,305 | | 5,040,164 |
| Current assets | | | | | |
| Stocks | 20 | 165,184 | | 127,971 | |
| Debtors | 21 | 1,381,678 | | 800,185 | |
| Cash at bank and in hand | | <u>3,262,005</u> | | <u>4,753,572</u> | |
| | | 4,808,867 | | 5,681,728 | |
| Creditors: amounts falling due within one year | 22 | <u>(263,462)</u> | | <u>(306,923)</u> | |
| Net current assets | | | 4,545,405 | | 5,374,805 |
| Net assets | | | <u>10,369,710</u> | | <u>10,414,969</u> |
| Charity funds | | | | | |
| Capital funds | 24 | | 2,545,221 | | 2,645,424 |
| Designated funds | 24 | | 5,036,114 | | 4,803,054 |
| General funds | 24 | | 2,643,311 | | 2,780,727 |
| Restricted funds | 24 | | <u>145,064</u> | | <u>185,764</u> |
| Total funds | | | <u>10,369,710</u> | | <u>10,414,969</u> |

The financial statements were approved by the trustees on 25 March 2019 and signed on their behalf, by:


Brian Hutchinson, Treasurer

The notes on pages 20 to 39 form part of these financial statements.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net income for the year (as per Statement of Financial Activities) | | 20,405 | 920,006 |
| Adjustment for: | | | |
| Depreciation charges | | 247,285 | 162,400 |
| Losses/(Gains) on Investments | | 115,658 | (258,139) |
| Dividends, Interest and rents from Investments | | (9,725) | (4,520) |
| Loss on sales of fixed assets | | 10,475 | 18,813 |
| Increase in stocks | | (128,414) | (85,038) |
| (Increase)/decrease in debtors | | (340,309) | 919,566 |
| (Decrease)/Increase in creditors | | (36,798) | 61,313 |
| Net cash provided by operating activities | | (121,423) | 1,734,401 |
| Cash flows from investing activities | | | |
| Interest received | | 9,725 | 4,520 |
| Purchase of property, plant and equipment | | (157,558) | (1,380,566) |
| Purchase of fixed asset investments | | (1,000,000) | - |
| Net cash used in investing activities | | (1,147,833) | (1,376,046) |
| Change in cash and cash equivalents in the year | | (1,269,256) | 358,355 |
| Cash and cash equivalents brought forward | 26 | 5,013,784 | 4,655,429 |
| Cash and cash equivalents carried forward | 26 | 3,744,528 | 5,013,784 |

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Julia's House Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Company status

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (cont.)

1.4 Incoming resources

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (cont.)

1.7 Direct Charitable Expenditure

Expenditure is allocated between expense headings and funds as follow:

Payroll costs – on the basis of time spent on the charitable activities and fundraising.

Depreciation – according to fixed asset usage by the charitable activities.

Overheads – expenses are allocated by desk space and the remaining office costs.

1.8 Support Costs

Certain support costs are allocated directly on the basis of staff hours, however some of the costs for the purposes of the financial statements are allocated 20% to voluntary income expenditure and 80% to charitable activities.

1.9 Going concern

The financial statements have been prepared on the basis that the charity is a going concern. The Trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2019, the charity has a regular stream of income from its shops and donations and its reserve policy mean that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

1.10 Tangible fixed assets and depreciation

Fixed assets donated are recognised in the income and expenditure accounts at their net book value.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|----------------------------------|-------------------------------|
| Leasehold property | - over the lease term |
| Motor vehicles | - 4 years straight line |
| Fixtures, fittings and equipment | - 3 – 5 years straight line |
| Buildings | - 10 – 50 years straight line |

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (cont.)

1.11 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.12 Stocks

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

Donated stock is recognised at net realisable value.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Financial Instruments

The group only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (cont.)

1.17 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The group operates a defined benefits pension scheme. The scheme is a multi-employer scheme where 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. Therefore, as required by FRS 102, the group accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities represents contributions payable to the scheme in respect of the accounting period.

2. Income from donations and legacies

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 1,540,407 | 111,308 | 1,651,715 | 1,928,798 |
| Legacies | 1,842,663 | 500 | 1,843,163 | 1,359,398 |
| Grants | 20,293 | 203,459 | 223,752 | 269,776 |
| Gifts in kind | 174,581 | - | 174,581 | 169,092 |
| Total donations and legacies | 3,577,944 | 315,267 | 3,893,211 | 3,727,064 |

In 2017, of the total income from donations and legacies, £461,613 was income to restricted funds and £3,265,451 was income to unrestricted funds.

3. Fundraising income

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Fundraising events and lottery | 1,194,364 | 3,780 | 1,198,144 | 1,228,062 |

In 2017, of the total fundraising income, £3,180 was income to restricted funds and £1,224,882 was income to unrestricted funds.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

4. Retail trading results

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Charity shop income | | | | |
| Sales | 1,245,195 | - | 1,245,195 | 1,043,336 |
| Sales under the donated goods scheme | 658,774 | - | 658,774 | 600,858 |
| | 1,903,969 | - | 1,903,969 | 1,644,194 |
| Charity shop expenses | | | | |
| Direct costs | 472,352 | - | 472,352 | 465,655 |
| Staff costs | 747,588 | - | 747,588 | 595,145 |
| National insurance | 45,396 | - | 45,396 | 38,355 |
| Pension costs | 67,284 | - | 67,284 | 56,060 |
| Depreciation | 30,858 | - | 30,858 | 23,410 |
| Support costs | 158,576 | - | 158,576 | 154,131 |
| | 1,522,054 | - | 1,522,054 | 1,332,756 |
| Net income from retail trading results | 381,915 | - | 381,915 | 311,438 |

The shop income for the year was reduced by £658,774 (2017: £600,858) by the conversion of sales into donations through the Gift Aid on donated goods scheme.

This was raised directly by the efforts of the shops and should be seen as part of their performance. The total Gift Aid claimed through this scheme during the year was £155,431 (2017: £141,213).

In 2017, all retail trading income and expenditure was unrestricted.

5. Investment income

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | 9,725 | - | 9,725 | 4,520 |

In 2017, all investment income was unrestricted.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

6. Income from charitable activities

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Government grant | - | 90,562 | 90,562 | 90,562 |
| NHS CCG | 60,303 | 226,074 | 286,377 | 308,184 |
| | 60,303 | 316,636 | 376,939 | 398,746 |

In 2017, of the total income from charitable activities, £90,562 was income to restricted funds and £308,184 was income to unrestricted funds.

7. Costs of generating voluntary income

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Direct costs | 492,914 | - | 492,914 | 350,810 |
| Premises costs | 40,210 | - | 40,210 | 43,588 |
| Overheads | 131,964 | - | 131,964 | 110,462 |
| Staff costs | 727,965 | - | 727,965 | 705,102 |
| Depreciation | 9,436 | - | 9,436 | 8,475 |
| Investment management costs | 15,117 | - | 15,117 | 14,473 |
| | 1,417,606 | - | 1,417,606 | 1,232,910 |

8. Analysis of expenditure on charitable activities

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Cost of care | 3,675,099 | 631,166 | 4,306,265 | 3,775,053 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

9. Analysis of resources expended by activities

| | Direct costs 2018 £ | Support costs 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------|---------------------------|-------------------------------|-----------------------------|-----------------------------|
| Cost of care | 3,242,582 | 1,063,683 | 4,306,265 | 3,775,053 |

10. Direct care costs

| | Direct care costs 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------|-----------------------------------|-----------------------------|-----------------------------|
| Premises costs | 79,538 | 79,538 | 96,760 |
| Overheads | 370,386 | 370,386 | 327,508 |
| Staff costs | 2,169,993 | 2,169,993 | 1,929,531 |
| National insurance | 195,125 | 195,125 | 171,048 |
| Pension cost | 223,911 | 223,911 | 190,629 |
| Depreciation | 203,629 | 203,629 | 127,543 |
| | 3,242,582 | 3,242,582 | 2,843,019 |

11. Support costs

| | Expenditure on shops 2018 £ | Cost of care 2018 £ | Total 2018 £ | Total 2017 £ |
|--------------------|--------------------------------------|------------------------------|--------------------|--------------------|
| Direct costs | 141 | 92,073 | 92,212 | 83,784 |
| Overheads | 38,122 | 157,072 | 195,196 | 174,506 |
| Staff costs | 97,844 | 668,270 | 766,114 | 673,116 |
| National insurance | 9,248 | 62,726 | 71,974 | 66,147 |
| Pension cost | 12,549 | 80,853 | 93,401 | 85,640 |
| Depreciation | 672 | 2,689 | 3,362 | 2,972 |
| | 158,576 | 1,063,683 | 1,222,259 | 1,086,165 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

12. Governance costs

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Audit fees | 11,849 | - | 11,849 | 10,882 |
| Tax & advisory fees | 1,255 | - | 1,255 | 965 |
| Administration expenditure | 4,544 | - | 4,544 | 1,467 |
| | 17,648 | - | 17,648 | 13,314 |

13. Analysis of resources expended by expenditure type

| | Staff costs 2018 £ | Depreciation 2018 £ | Other costs 2018 £ | Total 2018 £ | Total 2017 £ |
|----------------------------------|--------------------------|---------------------------|-----------------------------|--------------------|--------------------|
| Fundraising and events | 727,965 | 9,436 | 680,207 | 1,417,608 | 1,232,910 |
| Retail expenses | 979,909 | 31,530 | 510,615 | 1,522,054 | 1,332,756 |
| Costs of generating funds | 1,707,874 | 40,966 | 1,190,822 | 2,939,662 | 2,565,666 |
| Cost of care | 3,400,878 | 206,318 | 699,067 | 4,306,263 | 3,775,053 |
| | 5,108,752 | 247,284 | 1,889,889 | 7,245,925 | 6,340,719 |

14. Income

The charity generated 0.0% of its incoming resources from outside of the UK during the year (2017: 0.3%).

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

15. Net incoming resources

This is stated after charging;

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: | | |
| - Owned by the charitable group | 247,285 | 162,400 |
| Operating lease rentals: | | |
| - Premises rent | 210,827 | 207,339 |
| - Other leases | 3,704 | 3,555 |
| Auditors' remuneration (Group fees) | 11,849 | 10,882 |

During the year, no trustee received any remuneration (2017: £nil).

During the year, no trustees received any benefits in kind (2017: £nil).

During the year, trustees received reimbursement of travel expenses of £329 (2017: £162).

During the year the company provided indemnity insurance to cover all its trustees under their duties as trustees at a cost of £702 (2017: £593).

16. Staff costs

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 4,295,691 | 3,787,637 |
| Social security costs | 368,182 | 331,427 |
| Other pension costs | 444,879 | 391,709 |
| | 5,108,752 | 4,510,773 |

The average monthly number of employees was 214 (2017: 179) and the average monthly number of full time equivalent employees during the year was as follows:

| | 2018 No. | 2017 No. |
|------------|-------------|-------------|
| Care staff | 62 | 53 |
| Others | 80 | 70 |
| | 142 | 123 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

16. Staff costs (cont.)

The number of higher paid employees was:

| | 2018 No. | 2017 No. |
|----------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £70,001 - £80,000 | 1 | - |
| In the band £80,001 - £90,000 | - | - |
| In the band £90,001 to £100,000 | 1 | 1 |
| In the band £100,001 to £110,000 | 0 | 1 |
| | <hr/> | <hr/> |
| | 3 | 4 |

Key management personnel of the charity for the year comprise the Chief Executive, Development Director, Finance Director, HR Director and Director of Care whose employee benefits total £367,455 (including pension contributions) (2017: £478,805).

17. Results of the parent charitable company

As permitted in accordance with Section 408 of the Companies Act 2006, the individual profit and loss account of the parent company is not presented as part of these consolidated financial statements. The parent company's deficit for the financial year was £45,259 (2017: £1,025,735 surplus).

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

18. Tangible fixed assets

| Group | Leasehold property £ | Motor vehicles £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------------|-------------------------------------|---------------------------------|---|--------------------|
| Cost | | | | |
| At 1 January 2018 | 2,662,956 | 52,859 | 879,686 | 3,595,501 |
| Additions | 19,395 | - | 138,163 | 157,558 |
| Disposals | (11,680) | - | (63,969) | (75,649) |
| Transfer between classes | (1,752) | - | 1,752 | - |
| At 31 December 2018 | 2,668,919 | 52,859 | 955,632 | 3,677,410 |
| Depreciation | | | | |
| At 1 January 2018 | 463,318 | 38,604 | 448,156 | 950,078 |
| Charge for the year | 104,055 | 4,011 | 139,219 | 247,285 |
| On disposals | (5,861) | - | (59,313) | (65,174) |
| Transfer between classes | (138) | - | 138 | - |
| At 31 December 2018 | 561,374 | 42,615 | 528,200 | 1,132,189 |
| Net book value | | | | |
| At 31 December 2018 | 2,107,545 | 10,244 | 427,432 | 2,545,221 |
| At 31 December 2017 | 2,199,638 | 14,255 | 431,530 | 2,645,423 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

18. Tangible fixed assets (cont.)

| Company | Leasehold property £ | Motor vehicles £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------------|-------------------------------------|---------------------------------|---|--------------------|
| Cost | | | | |
| At 1 January 2018 | 2,659,710 | 52,859 | 875,498 | 3,588,067 |
| Additions | 19,395 | - | 138,164 | 157,559 |
| Disposals | (9,750) | - | (60,550) | (70,300) |
| Transfer between classes | (1,752) | - | 1,752 | - |
| At 31 December 2018 | 2,667,603 | 52,859 | 954,864 | 3,675,326 |
| Depreciation | | | | |
| At 1 January 2018 | 460,073 | 38,604 | 443,968 | 942,645 |
| Charge for the year | 104,055 | 4,011 | 139,219 | 247,285 |
| On disposals | (3,931) | - | (55,895) | (59,826) |
| Transfer between classes | (138) | - | 138 | - |
| At 31 December 2018 | 560,059 | 42,615 | 527,430 | 1,130,104 |
| Net book value | | | | |
| At 31 December 2018 | 2,107,544 | 10,244 | 427,434 | 2,545,222 |
| At 31 December 2017 | 2,199,637 | 14,256 | 431,530 | 2,645,423 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

19. Fixed asset investments

| Group | Listed securities £ |
|---------------------|--------------------------------|
| Market value | |
| At 1 January 2018 | 2,394,741 |
| Additions | 1,000,000 |
| Revaluations | (115,658) |
| | <hr/> |
| At 31 December 2018 | 3,279,083 |
| | <hr/> |

Group and company investments at market value comprise:

| | 2018 £ | 2017 £ |
|--------------------|-------------------|-------------------|
| Listed investments | 3,279,083 | 2,394,741 |
| | <hr/> | <hr/> |

All the fixed asset investments are held in the UK.

Split of investments:

| | 31 December 2018 £ | 31 December 2017 £ |
|-------------------------|-----------------------------------|-----------------------------------|
| UK bonds | 297,465 | 292,235 |
| UK equities | 733,581 | 861,860 |
| North American equities | 384,424 | 398,554 |
| European equities | 84,594 | 122,886 |
| Asia Pacific equities | 105,391 | 114,655 |
| Global Investments | 125,532 | 153,192 |
| Other investments | 1,548,096 | 451,359 |
| | <hr/> | <hr/> |
| | 3,279,083 | 2,394,741 |
| | <hr/> | <hr/> |

Company

Julia's House Limited also held a 100% investment in its trading subsidiary, Julia's House Trading Limited (company number 06296047) at the historic cost of £1. The registered office for Julia's House Trading Limited is Barclays House, 1 Wimborne Road, Poole, Dorset, BH15 2BB.

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

20. Stocks

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Stock of donated goods | 477,824 | 347,006 | 165,184 | 127,971 |
| Stock of purchased goods | 5,987 | 8,391 | - | - |
| | 483,811 | 355,397 | 165,184 | 127,971 |

21. Debtors

| | Group | | Company | |
|------------------------------------|------------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Trade debtors | 22,391 | 43,117 | 22,391 | 43,117 |
| Amounts owed by group undertakings | - | - | 395,708 | 140,889 |
| Other debtors | 905,890 | 573,416 | 881,150 | 548,940 |
| Prepayments and accrued income | 159,295 | 130,734 | 82,429 | 67,239 |
| | 1,087,576 | 747,267 | 1,381,678 | 800,185 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

22. Creditors

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Trade creditors | 59,615 | 47,111 | 37,278 | 31,641 |
| Other taxation and social security | 96,672 | 92,762 | 96,672 | 92,762 |
| Other creditors | 89,314 | 111,358 | 639 | 15,556 |
| Accruals and deferred income | 158,917 | 190,085 | 128,873 | 166,964 |
| | 404,518 | 441,316 | 263,462 | 306,923 |

23. Deferred income

| | Group | | Company | |
|--------------------------------------|---------------|---------------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Deferred Income at 1 January 2018 | 55,050 | 55,861 | 55,050 | 55,861 |
| Resources deferred during the year | 74,644 | 55,050 | 74,644 | 55,050 |
| Amounts released from previous years | (55,050) | (55,861) | (55,050) | (55,861) |
| Deferred income at 31 December 2018 | 74,644 | 55,050 | 74,644 | 55,050 |

JULIA'S HOUSE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

24. Statement of funds

| | Brought forward £ | Incoming resources £ | Resources expended £ | Transfer In/(out) £ | Gains/ (losses) £ | Carried forward £ |
|---|----------------------------------|-------------------------------------|-------------------------------------|------------------------------------|----------------------------------|----------------------------------|
| Capital funds | 2,645,424 | 28,818 | (174,238) | 45,217 | - | 2,545,221 |
| Trading subsidiary funds | 300,327 | 1,729,469 | (1,663,805) | - | - | 365,991 |
| Designated funds | | | | | | |
| Designated care funds | 4,058,811 | - | (2,576,053) | 2,480,958 | - | 3,963,716 |
| Designated Information system funds | - | 156,745 | - | - | - | 156,745 |
| Designated Life Chances fund | - | 175,000 | - | - | - | 175,000 |
| Designated lease funds | 744,243 | 207,304 | (210,894) | - | - | 740,653 |
| | 4,803,054 | 539,049 | (2,786,947) | 2,480,958 | - | 5,036,114 |
| General funds | 2,780,727 | 4,448,969 | (1,989,769) | (2,480,958) | (115,658) | 2,643,311 |
| Total unrestricted funds | 10,529,532 | 6,746,305 | (6,614,759) | 45,217 | (115,658) | 10,590,637 |

JULIA'S HOUSE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

| Restricted funds | Brought forward £ | Incoming resources £ | Resources expended £ | Transfer in/(out) £ | Gains/(losses) £ | Carried forward £ |
|--------------------------------|----------------------|-------------------------|-------------------------|------------------------|---------------------|----------------------|
| Wiltshire project | 1,327 | - | (369) | (958) | - | - |
| Equipment | 282 | - | (282) | - | - | - |
| Music & play therapy | 1,723 | 1,100 | (2,446) | (377) | - | - |
| Wiltshire nursing & care costs | 29,804 | 156,004 | (148,738) | - | - | 37,070 |
| Dorset nursing & care costs | 107,264 | 435,675 | (444,382) | - | - | 98,557 |
| Sibling project | 250 | 5,050 | (5,075) | - | - | 225 |
| Family support | 3,733 | 19,190 | (19,923) | - | - | 3,000 |
| Hospice refurbishment | 40,931 | 3,397 | (7,559) | (36,769) | - | - |
| Dorset hospice costs | 450 | 5,045 | (2,217) | (988) | - | 2,290 |
| IT equipment | - | 9,560 | (175) | (6,125) | - | 3,260 |
| Wishes fund | - | 662 | - | - | - | 662 |
| | 185,764 | 635,683 | (631,166) | (45,217) | - | 145,064 |
| Total of funds | 10,715,296 | 7,381,988 | (7,245,925) | - | (115,658) | 10,735,701 |

Summary of funds

| | Brought forward £ | Incoming resources £ | Resources expended £ | Transfer in/(out) £ | Gains/(losses) £ | Carried forward £ |
|--------------------------|----------------------|-------------------------|-------------------------|------------------------|---------------------|----------------------|
| Capital funds | 2,645,424 | 28,818 | (174,238) | 45,217 | - | 2,545,221 |
| Trading subsidiary funds | 300,327 | 1,729,469 | (1,663,805) | - | - | 365,991 |
| Designated funds | 4,803,054 | 539,049 | (2,786,947) | 2,480,958 | - | 5,036,114 |
| General funds | 2,780,727 | 4,448,969 | (1,989,769) | (2,480,958) | (115,658) | 2,643,311 |
| | 10,529,532 | 6,746,305 | (6,614,759) | 45,217 | (115,658) | 10,590,637 |
| Restricted funds | 185,764 | 635,683 | (631,166) | (45,217) | - | 145,064 |
| Total of funds | 10,715,296 | 7,381,988 | (7,245,925) | - | (115,658) | 10,735,701 |

JULIA'S HOUSE LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Capital funds

This represents the net book value of tangible assets and is not available to fund future expenditure.

Included within capital funds are restricted donations that have now been de-restricted and are held in a separate fund.

Trading subsidiary funds

This fund represents the surplus from the operation of Julia's House Trading Limited.

Designated funds

The designated care fund is to cover 12 months running costs of Julia's House Hospice and Community service.

The designated information systems fund relates to the upgrade of IT systems.

The designated Life Chances fund is to provide affected children and siblings with opportunities and skills to support their independence and development to adulthood.

The designated Lease fund is to cover the future financial obligation for operating leases.

Restricted funds

Restricted funds can only be expended in accordance with the donor's specific instructions.

Wiltshire project – This represents funds received towards the cost of the new children's hospice in Devizes, Wiltshire.

Equipment – This fund relates to donations received for the purchase of specialised medical equipment.

Music and play therapy – This was donated for play and sensory equipment.

Hospice Refurbishment – This represents donations received to fund the refurbishment of the Bathroom at the Corfe Mullen Hospice.

Wiltshire nursing and care costs – Represents donations received for nurses and carers in Wiltshire.

Dorset nursing and care costs – This fund relates to donations received towards the cost for nurses and carers in Dorset.

Sibling project – Represents donations specifically received to fund sibling events.

Family support – This relates to funding received for the family support team and family events including the summer family BBQ.

IT Equipment - This relates to donations towards the provision of laptops for nurses.

Hospice costs - This fund relates to the general running costs of the Hospices.

Wishes fund - This is to grant small wishes in end of life situations.

JULIA'S HOUSE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Julia's House would like to thank the many Trusts and Foundations for their significant support, in particular:
The James Tudor Foundation
The Adrian Swire Charitable Trust

25. Analysis of net assets between funds

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | 1,944,615 | 600,606 | 2,545,221 | 2,645,423 |
| Fixed asset investments | - | 3,279,083 | 3,279,083 | 2,394,741 |
| Current assets | (1,395,033) | 6,710,948 | 5,315,915 | 6,116,448 |
| Creditors due within one year | (404,518) | - | (404,518) | (441,316) |
| | 145,064 | 10,590,637 | 10,735,701 | 10,715,296 |

26. Analysis of cash and cash equivalents

| | 2018 £ | 2017 £ |
|------------------|-----------|-----------|
| Cash in hand | 213,640 | 200,053 |
| Deposit accounts | 3,530,888 | 4,813,731 |
| Total | 3,744,528 | 5,013,784 |

27. Pension commitments

The group operates a defined contribution scheme available to its employees. Contributions are charged in the financial statements as they are incurred.

Employees that have previously been a member of the NHS pension scheme before joining the charity, have an option to continue the scheme provided the criteria have been met. The NHS Pension Scheme is a final salary occupational scheme.

The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

The total pension contributions payable by the group in the year amounted to £444,879 (2017: £391,709). Contributions totalling £639 were outstanding at the balance sheet date (2017: £15,544).

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

28. Operating lease commitments

At 31 December 2018 the group had future minimum rentals payable under non-cancellable operating leases as follows:

| Group and Company | Land and buildings | | Other | |
|-------------------------|--------------------|-----------|-----------|-----------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| Expiry date: | | | | |
| Within 1 years | 219,979 | 192,396 | 4,267 | 3,555 |
| Between 2 and 5 years | 478,645 | 521,953 | 7,845 | 8,668 |
| After more than 5 years | 29,917 | 17,671 | - | - |
| | 728,541 | 732,020 | 12,112 | 12,223 |

29. Controlling party

The charity was under the control of the trustees throughout the current and previous years.

30. Related parties

During the year there were no related party transactions.