

CALICO JV LIMITED

Report and Financial Statements

Year ended 31 March 2018

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Officers and professional advisors

Directors Anthony Duerden
Ed Barber
Helen Thompson (appointed 25 April 2017)

Company Secretary Stephen Aggett (appointed 18 May 2018)

Registered Office Centenary Court
Croft Street
Burnley
Lancashire
BB11 2ED

Registered Number 08156713

External Auditor Beaver and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Solicitors Forbes Solicitors
Rutherford House
4 Wellington Street
St. Johns
Blackburn
BB1 8DD

Bankers National Westminster Bank
6th Floor
1 Spinningfields Square
Manchester
M3 3AP

Directors' Report

The Directors are pleased to present their report along with the audited financial statements for the year ended 31 March 2018.

Objectives and Activities

Incorporated as a limited company, Calico JV Limited was established on 25 July 2012. The principal activity of the company during the period was that of a holding company. It holds 99% (2017: 99%) of the members' capital of Ring Stones Maintenance & Construction LLP which starting trading on 1 October 2012.

Directors

The current Board of Directors, together with details of the changes which have occurred up to the date of approval of this report by the Board, are set out on page 1.

Going concern

The financial statements have been prepared on a going concern basis as the directors are of the opinion that the company will be able to continue in operational existence for the foreseeable future, as detailed in note 1 on page 7.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Small company provisions

The report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

Statement of Directors' Responsibilities in respect of the Annual Report & Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

Beever and Struthers, Chartered Accountants and Statutory Auditor, have indicated their willingness to continue in office. A resolution to reappoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Board and signed on its behalf by:-

Stephen Aggett
Company Secretary
17 September 2018

Independent Auditor's Report to the Members of Calico JV Limited

Opinion

We have audited the financial statements of Calico JV Limited "the company" for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position 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 company's affairs as at 31 March 2018 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, as set out in the accounting policies, 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 to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

Independent Auditor's Report to the Members of Calico JV Limited (continued)

Matters on which we are required to report by exception (continued)

- we have not received all the information and explanations we require for our audit; or;
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company'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 Company'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 Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Maria Hallows
(Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS, Statutory Auditor
St George's House
215/219 Chester Road
Manchester
M15 4JE

Date: 17 September 2018

Statement of Comprehensive Income

For the year ended 31 March 2018

	Note	2018 £	2017 £
Investment Income	4	-	-
Operating costs: other operating charges		(24,148)	(17,772)
Operating loss	2	(24,148)	(17,772)
Interest payable		(1,753)	(1,745)
Amortisation of intangible assets	7	(100,000)	(100,000)
Loss on ordinary activities before taxation		(125,901)	(119,517)
Taxation on profit on ordinary activities	5	-	-
Total comprehensive income for the year		(125,901)	(119,517)
Total comprehensive income for the year attributable to:			
Owners of the parent		(125,901)	(119,517)

All of the activities in the current and prior financial periods are derived from continuing operations.

The notes on pages 7 to 11 form part of the accounts.

Statement of Changes in Equity

For the year ended 31 March 2018

	Called-up Share Capital £	Income and Expenditure Reserve £	Total £
At 1 April 2016	100	(51,846)	(51,746)
Loss for the year	-	(119,517)	(119,517)
At 31 March 2017	100	(171,363)	(171,263)
Loss for the year	-	(125,901)	(125,901)
At 31 March 2018	100	(297,264)	(297,164)

Statement of Financial Position

At 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	7	163,546	263,546
Investments	6	<u>27,151</u>	<u>27,151</u>
		190,697	290,697
		<u> </u>	<u> </u>
Current assets			
Cash at bank and in hand		494	15,495
Creditors: amounts falling due within one year	8	(488,355)	(477,455)
		<u> </u>	<u> </u>
Net current liabilities		(487,861)	(461,960)
		<u> </u>	<u> </u>
Net liabilities		(297,164)	(171,263)
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	9	100	100
Income and Expenditure Reserve		(297,264)	(171,363)
		<u> </u>	<u> </u>
		(297,164)	(171,263)
		<u> </u>	<u> </u>

These accounts have been delivered in accordance with the provisions applicable to companies subject to the small company's regime.

The financial statements on pages 5 to 11 were approved by the directors and authorised for issue on 17 September 2018 and signed on their behalf by:

Stephen Aggett
Company Secretary
17 September 2018

Notes to the Financial Statements

1. Accounting policies

Calico JV Limited is a limited company incorporated in England & Wales. The registered office is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and with the Companies Act 2006 and are presented in sterling £ for the year ended 31 March 2018.

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement and financial instruments.

Basis of consolidation

The financial statements of the company are consolidated in the financial statements of The Calico Group Limited, see note 10. The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. These financial statements present information about the company as an individual entity and not about its group.

Going concern basis

The company is reliant on members' remuneration from Ring Stones Maintenance & Construction LLP ("Ring Stones"). The directors having assessed the responses of the directors of Ring Stones to their enquiries, including their development programme and future projected cash flows for two years, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Ring Stones to continue as a going concern.

On the basis of this assessment, the financial statements have been prepared on a going concern basis as the directors are of the opinion that the company will be able to continue in operational existence for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. It is not considered that there are any judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

Other key sources of estimation and assumptions:

Goodwill and intangible assets. The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Where, in exceptional circumstances, the useful life of goodwill cannot be determined, the life will not exceed 10 years.

Value added tax

The financial statements include VAT to the extent that it is suffered by the Company and not recoverable.

Taxation

The charge for taxation for the year is based on the surpluses arising on certain activities which are liable to tax. These activities are taxed within the Member financial statements according to the individual member's tax status irrespective of whether the profits are actually distributed. Therefore a tax provision on the surplus has been provided at the relevant corporation tax rate.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Investments

Investments are accounted for at cost less any impairment for permanent diminutions in value.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated on a straight line basis over the useful economic life.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Investment income

Investment income represents income received from subsidiary undertakings of the company and is accounted for when received.

Financial instruments

Financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

2. Operating loss

The operating loss for the year is stated after charging:-

	2018	2017
	£	£
Auditor's fees	1,682	1,620
Amortisation of intangible assets (Note 7)	100,000	100,000
	<u> </u>	<u> </u>

3. Directors' remuneration

None of the Directors received any remuneration or expenses from the company during the period as they were remunerated by another group company. There are no direct employees within Calico JV Limited.

4. Investment income

	2018	2017
	£	£
Members' remuneration	-	-
	<u> </u>	<u> </u>

Investment income represents members' remuneration received from Ring Stones Maintenance & Construction LLP which is a limited liability partnership incorporated in the UK and is a subsidiary undertaking of the company. Further details are provided in Note 6.

Notes to the Financial Statements (continued)

5. Taxation

	2018	2017
	£	£
<i>Current tax charge</i>		
UK Corporation tax on profit for the period	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
<i>Factors affecting the tax charge for the period</i>		
Loss on ordinary activities before tax	(125,901)	(119,517)
	<u>(125,901)</u>	<u>(119,517)</u>
	<u><u>(125,901)</u></u>	<u><u>(119,517)</u></u>
Taxation at the standard rate of corporation tax in the UK of 20%	(25,180)	(23,903)
Expenses not deductible for tax purposes	20,000	20,000
Losses surrendered to group companies for no payment	5,180	3,903
	<u>(25,180)</u>	<u>(23,903)</u>
Current tax charge for the period	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

6. Fixed asset investments

	Investment in Associates	Investment in Subsidiaries	Total
	£	£	£
Cost			
At 1 April 2017	27,051	100	27,151
	<u>27,051</u>	<u>100</u>	<u>27,151</u>
At 31 March 2018	27,051	100	27,151
	<u><u>27,051</u></u>	<u><u>100</u></u>	<u><u>27,151</u></u>

Subsidiary undertakings

Name	Principal Activity	Country of operation	Percentage held
Ring Stones Maintenance and Construction LLP ("Ring Stones")	Maintenance and Construction	UK	99%

The LLP agreement states that the Management Board should decide if any profits are to be allocated then 100% of Ring Stones profits are to be distributed to the company. Although, its losses may not be allocated to members above their capital contribution.

At 31 March 2018, Ring Stones had a net deficit of £358,000 (2017: £387,000) following a profit for the year of £29,000 (2017: loss £387,000). Due to the net deficit position the Management Board decided no profits would be allocated (2017: £Nil).

Associates

Name	Principal Activity	Country of operation	Percentage held
Social Profit Calculator Ltd ("SPC")	Other service activity	UK	40%

At 31 January 2017, SPC had a capital and reserves amounting to £23,000 following a loss for the period of £4,000.

The financial statements of SPC for the period to 31 January 2018 are not yet available, however, draft figures indicate a profit for the year.

Notes to the Financial Statements (continued)

7. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 1 April 2017	500,000	500,000
At 31 March 2018	<u>500,000</u>	<u>500,000</u>
Amortisation		
At 1 April 2017	236,454	236,454
Charge in the year	100,000	100,000
At 31 March 2018	<u>336,454</u>	<u>336,454</u>
Net book amount at 31 March 2018	<u>163,546</u>	<u>163,546</u>
Net book amount at 31 March 2017	<u>263,546</u>	<u>263,546</u>

During the year ended 31 March 2016, the company acquired the remaining 49% interest of Ring Stones from Herbert T Forrest Limited for a consideration of £500,000. In order to fund this acquisition the company obtained a loan from Ring Stones.

The goodwill associated with this acquisition is being amortised over 5 years.

The directors consider no impairment having assessed the responses of the directors of Ring Stones to their enquiries in respect of future profitability.

8. Creditors: amounts falling due within one year

	2018	2017
	£	£
Corporation tax	-	-
Accruals	1,682	1,877
Amounts due to group undertakings	486,673	475,578
	<u>488,355</u>	<u>477,455</u>

9. Share capital

The total authorised number of £1 Ordinary Shares at 31 March 2018 was 100 (2017:100). All shares are allotted, called up and fully paid.

10. Parent undertaking

The Company is a 100% subsidiary of The Calico Group Limited, a company incorporated in England and Wales.

Consolidated accounts which include the results of the Company can be obtained from:

- Company Secretary, The Calico Group Limited, Centenary Court, Croft Street, Burnley, BB11 2ED

No other accounts include the results of the Company.

The Directors consider The Calico Group Limited to be the ultimate parent entity.

Notes to the Financial Statements (continued)

11. Related party transactions

Sales and purchases of goods and services between related parties are at an arm's length basis at normal market prices. Any outstanding balances are unsecured and interest free, unless stated otherwise.

The Calico Group Limited ("Group"), the parent company

During the year, Group recharged office costs amounting to £17,000 (2017: £15,000).

At 31 March 2018, the company owed Group £48,000 (2017: £31,000).

Ring Stones Maintenance and Construction LLP ("Ring Stones"), the company is a designated member of Ring Stones

In August 2015, the company acquired the remaining 49% interest from Herbert T Forrest Limited for a consideration of £500,000 funded by a corresponding loan from Ring Stones with interest 0.48% p.a. and with a repayment date of 31 March 2018.

During the year, the company received members' remuneration from Ring Stones totalling £Nil (2017: £Nil).

At 31 March 2018, the company owed to Ring Stones £ 367,000 (2017: £365,000).

Calico Homes Limited ("Homes"), a fellow subsidiary of Group

During the year, Homes recharged legal & professional fees amounting to £Nil (2017: £Nil).

At 31 March 2018, the company owed Homes £45,000 (2017: £52,000).

Calico Enterprise Limited ("Enterprise"), a fellow subsidiary of Group

During the previous year, the company acquired a 40% interest in Social Profit Calculator Ltd for a consideration of £27,000 funded by a corresponding loan from Enterprise.

At 31 March 2018, the company owed Enterprise £27,000 (2017: £27,000).