

HOBSTONES HOMES LIMITED

Report and Financial Statements

Year ended 31 March 2018

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Officers and Professional Advisors

Directors Ed Barber
Anthony Duerden
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 08156717

External Auditor Beever and Struthers
Chartered Accountants and 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 financial statements for the year ended 31 March 2018.

Principal Activities

The principal activity of the company during the year was the provision of design and construction services.

Financial Review

Gross profit for the year was £163k (2017: £97k) from sales of £11.1 million (2017: £4.7 million).

At 31 March 2018, there was a funds surplus of £18k (2017: deficit of £14k).

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.

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.

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 have indicated their willingness to continue in office. A resolution to reappoint them as auditors will be proposed at the forthcoming annual general meeting.

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.

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 Hobstones Homes Limited

Opinion

We have audited the financial statements of Hobstones Homes Limited "the company" for 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 profit 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 Hobstones Homes 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 £
Turnover		11,094,227	4,720,173
Cost of Sales		(10,931,472)	(4,622,769)
Gross profit		<u>162,755</u>	<u>97,404</u>
Overhead Costs		(131,000)	(93,901)
Interest		-	-
Profit on ordinary activities before taxation	2	<u>31,755</u>	<u>3,503</u>
Taxation on ordinary activities	4	-	-
Total comprehensive profit/(loss) for the year		<u><u>31,755</u></u>	<u><u>(3,503)</u></u>

All of the activities in the financial year are derived from continuing operations.

The notes on pages 7 to 9 form part of the accounts.

Statement of Changes in Equity

For the year ended 31 March 2018

	Called up Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2016	1	(17,274)	(17,273)
Profit for the financial year	-	3,503	3,503
At 31 March 2017	<u>1</u>	<u>(13,771)</u>	<u>(13,770)</u>
Profit for the financial year	-	31,755	31,755
At 31 March 2018	<u><u>1</u></u>	<u><u>17,984</u></u>	<u><u>17,985</u></u>

Statement of Financial Position
At 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	8	1	1
Current assets			
Debtors	5	284,441	1,011,004
Cash at bank and in hand		110,278	9,052
		394,719	1,020,056
Creditors: Amounts falling due within one year	6	(376,734)	(1,033,827)
Net current assets/(liabilities)		17,985	(13,771)
Net assets/(liabilities)		17,986	(13,770)
Capital and reserve			
Called up share capital	7	1	1
Income and expenditure reserve		17,985	(13,771)
Shareholders' Funds		17,986	(13,770)

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

The financial statements on page 5 to 9 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

Hobstones Homes Limited is a registered company, limited by shares, 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 ("FRS 102") issued by the Financial Reporting Council, 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.

Going concern

The company is reliant on trading from Calico Homes Limited. The directors having assessed the responses of the directors of Calico Homes Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Calico Homes Limited 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.

Turnover

Turnover represents income from contracts, which is recognised at the fair value of the consideration received or receivable for the sale of the services of design and construction based on when the service has been provided.

All income is stated net of Value Added Tax (VAT).

Value added tax

The Company charges VAT and is able to recover all of the VAT it incurs on expenditure.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Financial instruments

Financial assets and financial 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. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2018	2017
	£	£
Audit fees	1,408	1,585
	<u> </u>	<u> </u>

3. Directors' remuneration

None of the Directors receive any remuneration or expenses from the company during the period (2017: none) and were remunerated by another group company.

There are no direct employees within Hobstones Homes Limited.

Notes to the Financial Statements (continued)

4. Taxation

	2018 £	2017 £
Current Tax Charge		
UK Corporation tax at 20% (2017:20%) on profit/loss for the period	-	-
	<u> </u>	<u> </u>
<i>Factors affecting the tax charge for the period</i>		
Profit on ordinary activities before tax	31,755	3,503
Losses surrendered from group companies for no payment	(31,755)	(3,503)
	<u> </u>	<u> </u>
	-	-
Taxation at the standard rate of corporation tax in the UK of 20%	-	-
	<u> </u>	<u> </u>
Current tax charge for the period	-	-
	<u> </u>	<u> </u>

There are no timing differences for which a deferred tax provision is required.

5. Debtors

	2018 £	2017 £
Other tax and social security	261,676	219,081
Prepayments	22,765	-
Amounts owed by group undertakings	-	791,923
	<u> </u>	<u> </u>
	284,441	1,011,004
	<u> </u>	<u> </u>

Debtors are all due within one year.

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade Creditors	2,124	19,080
Accruals and deferred income	35,613	140,882
Amounts owed to group undertakings	338,997	873,865
	<u> </u>	<u> </u>
	376,734	1,033,827
	<u> </u>	<u> </u>

7. Share capital

	2018 £	2017 £
Allotted, called up and fully paid: 1 ordinary share of £1 each	1	1
On incorporation the company allotted 1 ordinary share of £1.	<u> </u>	<u> </u>

Notes to the Financial Statements (continued)

8. Fixed Asset Investment

On 25 February 2016, the Company paid a capital contribution of £1 to become a designated member of Ring Stones Maintenance and Construction LLP.

9. Parent Undertaking

The Company is a 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.

10. Related Party Transactions

Transactions between related parties are on an arm's length basis at normal market prices. Outstanding balances are unsecured and interest free.

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

During the year, Group recharged office costs amounting to £24,000 (2017: £42,000).

At 31 March 2018, the company owed Group £53,000 (2017: £23,000).

Ring Stones Maintenance and Construction LLP ("Ring Stones")

Hobstones Homes Ltd and Calico JV Ltd, are both designated members of Ring Stones and subsidiaries of Group

During the year, the Company purchased goods and services amounting to £10,657,000 (2017: £5,058,000) from Ring Stones.

At 31 March 2018, the company owed Ring Stones £283,000 (2017: £61,000 owed by Ring Stones).

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

During the year, sales to Homes were £11,094,000 (2017: £4,973,000) and Homes recharged office costs amounting to £106,000 (2017: £51,000).

At 31 March 2018, the company owed Homes £Nil (2017: £121,000).