

Hobstones Homes Limited
Report and Consolidated Financial Statements
Year ended 31 March 2021

Contents

	Page
Officers and Professional Advisors	1
Directors' Report	2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Statement of Changes in Equity	6
Statement of Financial Position	7
Notes to the Financial Statements	8 - 10

Officers and Professional Advisors

Directors	Anthony Duerden Helen Thompson Ed Barber (resigned 25 June 2021)
Company Secretary	Stephen Aggett
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 2021.

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 £146k (2020: £122k) from sales of £9.8 million (2020: £8.2 million).

As at 31 March 2021, there was a funds surplus of £11k (2020: £9k).

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

The directors will be carrying out a tender process in respect of auditor appointment for the next financial period.

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.

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

Stephen Aggett
Company Secretary
13 September 2021

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 the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the 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 Section 1A "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 2021 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 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

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.

Independent Auditor's Report to the Members of Hobstones Homes Limited (continued)

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
- 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws relating to taxation matters.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Independent Auditor's Report to the Members of Hobstones Homes Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Lee Cartwright
(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: 24 September 2021

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		9,836,428	8,227,616
Cost of Sales		(9,690,187)	(8,105,776)
Gross profit		146,241	121,840
Overhead Costs		(144,319)	(129,573)
Profit/(Loss) on ordinary activities before taxation	2	1,922	(7,733)
Taxation on ordinary activities	4	(365)	-
Total comprehensive profit/(loss) for the year		1,557	(7,733)

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 2021

	Called up Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2019	1	16,998	16,999
Loss for the financial year	-	(7,733)	(7,733)
At 31 March 2020	1	9,265	9,266
Loss for the financial year	-	1,557	1,557
At 31 March 2021	1	10,822	10,823

Statement of Financial Position

At 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	8	-	1
Current assets			
Debtors	5	762,645	192,919
Cash at bank and in hand		39,059	34,941
		801,704	227,860
Creditors: Amounts falling due within one year	6	(790,881)	(218,595)
Net current assets		10,823	9,265
Net assets		10,823	9,266
Capital and reserve			
Called up share capital	7	1	1
Income and expenditure reserve		10,822	9,265
Shareholders' Funds		10,823	9,266

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

The financial statements on page 6 to 10 were approved by the directors and authorised for issue on 13 September 2021 and signed on their behalf by:

Stephen Aggett
Company Secretary
13 September 2021

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") section 1A issued by the Financial Reporting Council, and are presented in sterling £ for the year ended 31 March 2021.

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 ("Homes"). Homes generates positive cash from core operations and has undrawn debt facilities, that combine to provide sufficient resources to finance committed reinvestment and development programmes. The current ongoing Coronavirus epidemic will clearly have a significant social and economic impact. However, stress testing scenarios on the Homes business plan demonstrate that with corrective action cash flow and lenders' covenants can be maintained.

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:

	2021	2020
	£	£
Audit fees	2,050	2,780

3. Directors' remuneration

None of the Directors receive any remuneration or expenses from the company during the period (2020: 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

	2021 £	2020 £
Current Tax Charge		
UK Corporation tax at 19% on profit/loss for the period	365	-
<i>Factors affecting the tax charge for the period</i>		
(Loss)/Profit on ordinary activities before tax	1,922	(7,733)
Taxation at the standard rate of corporation tax in the UK of 19%	365	(1,469)
Current tax charge for the period	365	-

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

5. Debtors

	2021 £	2020 £
Other tax and social security	122,990	128,182
Amounts owed by group undertakings	639,655	64,737
	762,645	192,919

Debtors are all due within one year.

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	64,706	13,379
Corporation Tax	364	-
Accruals and deferred income	94,525	53,647
Amounts owed to group undertakings	631,286	151,569
	790,881	218,595

7. Share capital

	2021 £	2020 £
Allotted, called up and fully paid: 1 ordinary share of £1 each	1	1
On incorporation the company allotted 1 ordinary share of £1.		

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.

In March 2021, the Company assigned its membership interest to Calico JV Limited.

9. Parent Undertaking

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

Consolidated accounts for The Calico Group Limited, 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 £21,000 (2020: £27,000).

At 31 March 2021, Group owed the company £7,000 (2020: owed to Group £3,000).

Ring Stones Maintenance and Construction Limited ("Ring Stones"), *a fellow subsidiary of The Calico Group Limited*

During the year, the Company purchased goods and services amounting to £9,315,000 (2020: £7,538,000) from Ring Stones.

At 31 March 2021, the company owed Ring Stones £631,000 (2020: £149,000).

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

During the year, sales to Homes were £9,836,000 (2020: £8,228,000) and Homes recharged office costs amounting to £121,000 (2020: £109,000).

At 31 March 2021, Homes owed the company £632,000 (2020: £65,000).