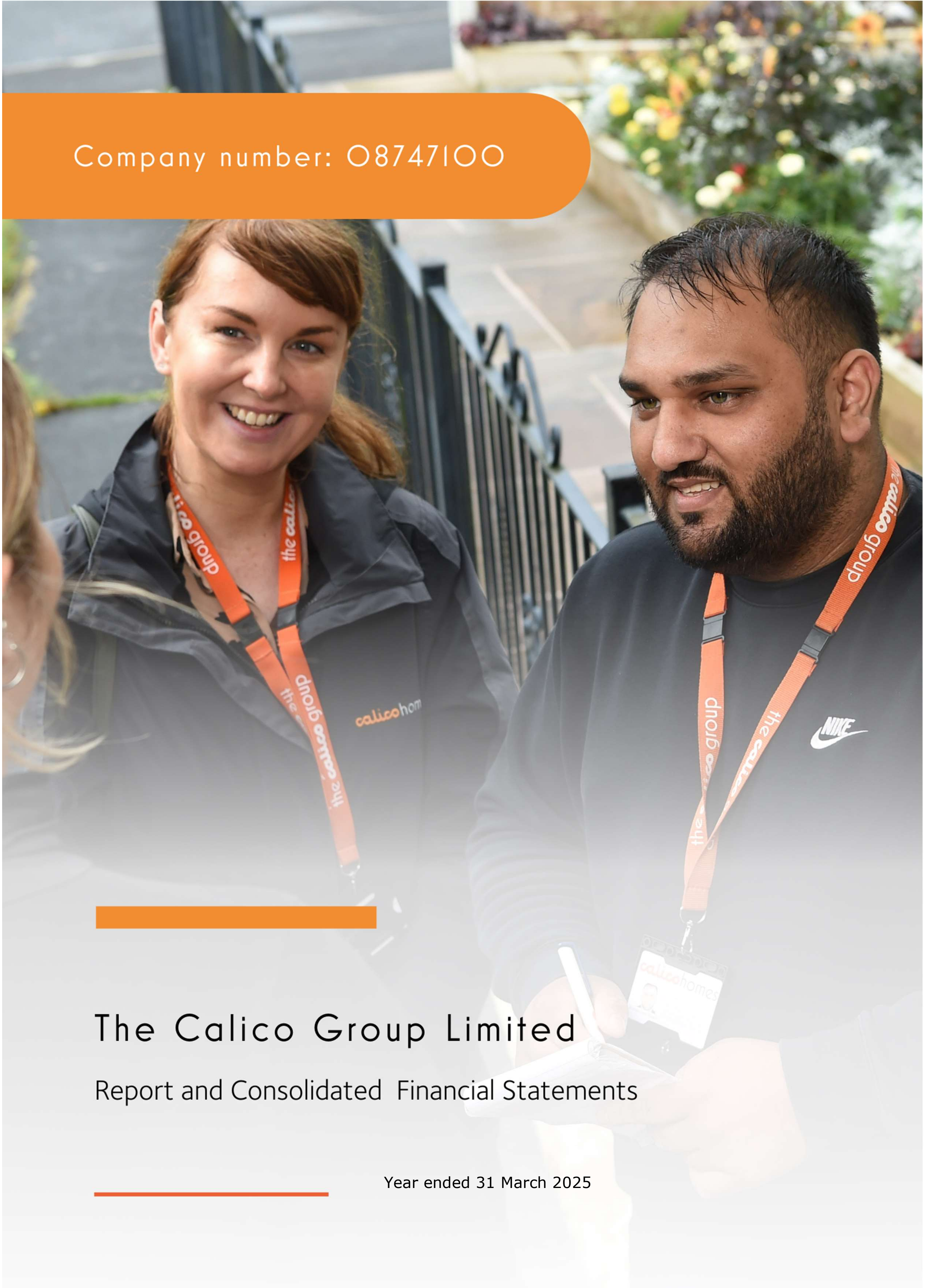
Company number: 08747100



The Calico Group Limited

Report and Consolidated Financial Statements

Year ended 31 March 2025

The Calico Group Limited
Company number: 08747100

Contents

Board Members, Executive Officers, Advisors and Bankers

Board	Philip Watson CBE (Chair) Carmel McKeogh (Vice Chair) (resigned 29th November 2024) Christopher Bithell David Gooda Joanne Peters Penelope Aspden Richard Jones CBE Sarah Roberts William Lacey Philip Saxton (appointed 1st April 2025)	
Executive Officers Group Chief Executive	Anthony Duerden	
Executive Director of Group Operations	Helen Thompson	
Executive Director of Group Finance	Chloe Christian	
Executive Director of Organisational Development	Vicki Howard	
Company Secretary	Anthony Duerden	
Registered Office	Centenary Court, Croft Street Burnley, Lancashire, BB11 2ED	
Company Registered Number	08747100	
External Auditor	Crowe U.K. LLP 3rd Floor, 56 Peter Street, Manchester M2 3NQ	
Internal Auditor	Beever & Struthers One Express, 1 George Leigh Street Manchester, M4 5DL	
Solicitors	Forbes Solicitors, Rutherford House 4 Wellington Street, St. Johns Blackburn, BB1 8DD	
Bankers	National Westminster Bank 2nd Floor, 1 Spinningfields Square Manchester M3 3AP	HSBC UK Oxford Square 1 Newhouse Road Blackpool FY4 4YH
Group Lenders	National Westminster Bank 2nd Floor, 1 Spinningfields Square Manchester M3 3AP Barclays Bank Plc 198 Ashley Road Hale Cheshire WA15 9SW	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW MorHomes PLC Future Business Centre Kings Hedges Road, Cambridge, CB4 2HY

Report of the Board

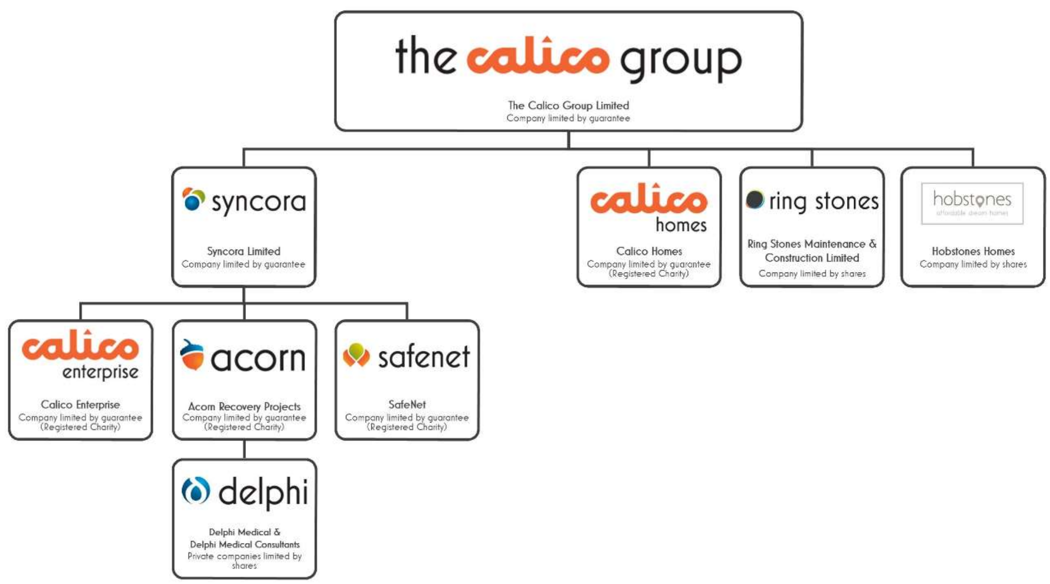
The Board is pleased to present its report and the consolidated financial statements for the year ended 31 March 2025.

Principal activities

The Calico Group Limited is a not for profit, non-charitable company limited by guarantee, governed by its articles of association. The company was incorporated on 24 October 2013 to facilitate a restructure of the Calico Group on 1 November 2013 with the previous parent company being Calico Homes Limited. Consolidated accounts have been prepared in line with recognised accounting practices.

The Calico Group Limited is the ultimate parent company for Calico Homes Limited, Syncora Limited, Calico Enterprise Limited, SafeNet Domestic Abuse and Support Services Ltd, Ring Stones Maintenance & Construction Limited (formerly Calico JV Limited), Hobstones Homes Limited and Acorn Recovery Projects (the owner of 100% shareholding in Delphi Medical Limited and Delphi Medical Consultants Limited). "Calico" is used generically to describe this group of companies.

Our Group Structure



Calico comprises a number of innovative charities and businesses, working together to create social profit, rather than financial profit.

Calico is unique in its structure and approach and each company brings its own specialism and expertise across housing, healthcare, support, employability, and construction. Individually, each of these specialist services are strong. By listening to our customers, working with them, and bringing their own lived experience to the mix, the support provided meets their specific needs and fulfils their aspirations.

Calico combines expertise with kindness, imagination, and passion, so that we make a long-lasting impact on the lives of our customers, and an even greater social impact in our communities.

Review of the year

Details of Calico's annual performance and future plans are set out within the Strategic Report that follows the Report of the Board.

The Board

The Board comprises nine (2024: nine) Non-Executive Directors who are responsible for setting the vision and strategic objectives of the business and overseeing their delivery.

The Non-Executive Directors who served during the year and up to the date of the signing of these financial statements are listed on page 1.

The Board met five times throughout the year and all meetings were quorate.

The Board delegates the day-to-day management and implementation of the strategic objectives to the Group Chief Executive and Executive Directors. The Executive Team meet weekly and attend Board meetings. In addition, the Board and its Committees obtain external specialist advice from time to time as necessary.

Report of the Board (continued)

The Board (continued)
Non-Executive Directors are subject to a skills-based recruitment process to ensure that the Board has the appropriate range of skills, experience and behaviours required to provide strategic direction and monitor the companies' performance. An annual review of Board effectiveness is undertaken which is used to inform future recruitment.

In 2020, Calico Group launched a New Generation Board Diversity Programme in partnership with the Housing Diversity Network with the intention of broadening diversity within the Board, in particular increasing participation from younger people and people from minority ethnic backgrounds. The New Generation programme supports participants for two years with the aim that at the end of the programme participants will be ready to become Board members. The second New Generation Board member programme launched in September 2024, with four New Generation Board members of which there are two in Syncora and two in Homes.

Board members normally serve for up to six years, with a maximum term of nine years, including time served on other Group Boards. Reappointment beyond six years is reviewed annually, taking into consideration the skills and experience required by the Board. Philip Watson (Chair), Richard Jones (Syncora Chair) and Wiliam Lacey (Calico Homes Chair) and were extended for a further year in 24/25. The Homes and Syncora Chair recruitment has concluded in June 2025 and the new Chairs will commence in November 2025 with the Group Chair being extended for a further year.

Alongside the annual review of overall Board effectiveness, each individual Non-Executive Director has an annual development review to evaluate their contribution to the Board and identify training needs. These reviews inform a Board Development Programme that focuses on Board performance, ensuring the Board's future effectiveness, together with tailored events on specific business-related topics where a training need has been identified.

New Non-Executive Directors receive induction training on their legal obligations under company law; the governance framework of the company; the vision and strategic objectives of the Board; and the housing and related services provided.

Calico Group has insurance policies that indemnify its Non-Executive Directors and Executive Officers against liability when acting for the Calico Group.

To operate effectively, and to ensure appropriate governance in business-critical areas, the Board has delegated some responsibilities to two Group Committees:

- **Audit & Assurance Committee**
  The Group Audit & Assurance Committee is responsible for reviewing the Calico Group's risk management framework and reports to the Calico Homes Board on the effectiveness of the Company's internal control arrangements. The Committee approves the scope of work of both internal and external auditors, including their appointments. It also considers the financial statements and recommends their approval to the Board. The Committee met five times during the year.
- **Nominations and Remuneration Committee**
  The Group Nominations & Remuneration Committee advises the Board on Non-Executive Director recruitment and remuneration, and the appointment and remuneration of the Group Chief Executive and Executive Directors, taking independent advice as necessary. The Committee also sets the objectives for the Group Chief Executive and reviews performance against those objectives. The Committee met three times during the year.

Remuneration Policy
The Board is responsible for setting the remuneration policy of Calico, and in doing so pays close attention to remuneration levels in the relevant sectors in determining the remuneration packages of the executive officers and other senior staff within the group. Basic salaries are set having regard to an individual's responsibilities and the pay levels for comparable positions.

Pensions
The executive officers and senior staff are eligible to join and participate in the pension schemes available to other staff members in the company by which they are employed. They participate in the schemes on the same terms as all other eligible staff. Full details of the schemes are given in note 1 to the financial statements.

Employees
The strength of the Calico Group lies in the quality and commitment of its employees. The contribution of its employees is essential in the ability of Calico Homes to deliver its strategic objectives and commitments to our customers.

The Calico Group engages and develops colleagues through regular briefings from Group Leadership and Manager forums, new starter inductions, listening group, an annual conference, "One Calico" events, a performance and personal growth framework, a regularly updated intranet site and newly introduced podcasts.

Report of the Board (continued)

Employees (continued)

The Calico Group has continued to focus on colleague wellbeing and keeping customers safe, ensuring services are well led. Digital transformation has been a key focus in 24/25 and will continue as the way we work and the transformation of our digital systems to support our colleagues is paramount and in line with the data strategy and use of insight to improve services.

The Calico Group recognises the importance of employee engagement and undertakes regular HIVE engagement surveys to focus on the culture and climate. Colleague wellbeing initiatives include Centre for Financial Education (CfEd) financial health sessions and a Group wellbeing day focussing on physical and mental health.

The Group across all its companies have a number of Mental Health First Aiders to provide peer support to colleagues. In December 2024, the One Calico Winter Conference moved to Blackpool with more than 600 colleagues from across the Group who came together to connect, have fun and celebrate their achievements with the Making a Difference Awards.

Colleagues Learning and Development offer continues to grow with opportunities for qualifications, apprenticeships, coaching and mentoring all available to colleagues across the Group. In 25/26 to further strengthen the leadership programme, a new accountability programme has been developed with an external partner. This will be initially rolled out to 50 leaders across the Calico Group.

The Calico Group is committed to inclusivity for all its employees and customers. The Equality Diversity & Inclusion (EDI) Strategy is central to Calico and the EDI forum comprises of employee and leadership networks from across the Group inclusive of Board members.

The Calico Group has increased its focus on recruitment, ensuring diverse video campaigns featuring employees from different groups, roles, and companies in the Group, which have featured prominently on social media through sponsored posts in recent months.

The Calico Group attracts a diverse range of colleagues from different backgrounds. The Calico Group diversity of its employees is 36% (2024: 35%) male, 64% (2024: 65%) female, 10% (2024: 10.2%) who self-identify as disabled, 14.5% (2024: 15.3%) from an Ethnic Minority background and 5.2% (2024: 5.5%) who identify as LGBTQ+.

Health and Safety

The Board is aware of its health and safety responsibilities and has a policy statement in place, supported by a robust framework of policies and procedures. and receives regular reports on health and safety issues arising from across the organisation. The Health and Safety Performance Team, chaired by the Chief Executive, meets on a regular basis and receives regular reports on health and safety issues arising across the organisation. All Group companies also receive an annual assurance report

Internal controls assurance

The Board has overall responsibility for risk management and is responsible for ensuring the organisation has an effective system of internal control.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss, in line with the Board's view that risks should be controlled and not avoided.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls that are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which Calico Homes is exposed.

The process for identifying, evaluating and managing the significant risks faced by Calico Homes is ongoing and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements on a regular basis during the year and considers at each meeting whether the risk map needs amending as a result of the meeting.

Assurance on the effectiveness of key risk controls is reviewed annually by both by Audit and Assurance Committee and the Board.

Report of the Board (continued)

Internal controls assurance (continued)

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- **Identifying and evaluating key risks**
  The Calico Group's risk management framework, setting out the Board's attitude to risk in the achievement of its objectives, underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation, and control of significant risks.

  The Executive Team reviews each company risk map on a rotating monthly basis, with the respective Senior Leadership Team reviewing the operational risk registers at their monthly meetings. The Board receive a quarterly review of the strategic risks which identifies the controls and actions required to bring the risks to the target level of risk which is in line with Board appetite. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- **Information and reporting systems**
  Financial reporting procedures include the Board review and approval of annual 30-year business plan sensitivity analysis alongside robust stress testing of the plan. The Board also approve the annual budget and are supported by regular reporting, forecasts and cashflows which are reviewed and monitored by the Board throughout the year. There is an annual review of the treasury strategy and treasury management which is supported by external consultants. Reports on key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes are regularly produced and reviewed these include the financial loan covenants. The outcomes of these reviews are formally reported and discussed by the Board quarterly.

- **Monitoring arrangements**
  Regular management reporting on control issues provides assurance to successive levels of management and to the Board. The Calico Group has number of policies and frameworks in place to support the systems of internal control. These include anti-fraud and bribery, whistleblowing, delegated authority, seek treasury management, health and safety, data protection and the code of conduct.

External Assurance

- **Internal Audit**

  Internal Audit is provided by Beevers and Struthers who are responsible for the independent and objective review of the effectiveness of the internal control system within the Calico Group and this provides independent assurance to the Board, via the Group Audit & Assurance Committee. The arrangements include a rigorous procedure, monitored by the Group Audit & Assurance Committee, for ensuring that corrective action is taken in relation to any significant control issues. In 2024/25 the Board received an annual report which confirmed partial assurance in respect of the design and reasonable assurance in respect of the operation of internal controls within the scope of work reviewed. Whilst there were audits with partial assurance outcomes, the internal audit plan for 24/25 focussed on audits where it had been identified that improvements were required. As at 31st March 2025, there is an 87% implementation rate confirming the majority of recommendations had been completed, providing the Board with assurance on the delivery of improvement of controls identified through the internal audits.

- **External Audit**

  External Audit is provided by Crowe UK LLP who provide an external audit management letter, which is required to report any material weaknesses in internal controls identified in the course of their audit work. This has been received and there were no such weaknesses identified on the effectiveness of existing internal controls that directly relate to the financial statements.

Code of Governance

The Board has adopted the NHF Code of Governance 2020. The Board confirms compliance with the Code for the year ended 31 March 2025.

The Group Board monitors compliance with the adopted Codes of Governance for each subsidiary Board. The Codes adopted are:

- Calico Homes Limited: NHF Code of Governance 2020
- Syncora Limited: 2020 Charity Governance Code for Larger Charities
- Ring Stones Maintenance & Construction Limited: Wates Principles of Corporate Governance 2018

The Group Board confirms compliance with the adopted Codes for the year-ended 31 March 2025.

Report of the Board (continued)

Reserves
After transfer of the total comprehensive income for the year £2.187m (2024: £1.081m), which includes an actuarial gain of £0.153m (2024: loss £0.228m), Calico reserves at the year-end amounted to £10.392m (2024: £8.205m).

Statement of directors' responsibilities for the annual report and financial statements
Company law requires the directors to prepare financial statements for each financial period. Under that law directors have elected to prepare the financial statements in accordance with the Companies Act 2006.

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 Group and Company, and of the surplus or deficit of the Group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for taking reasonable steps to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the maintenance and integrity of the corporate and financial information on the Group's websites. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors
The Board, 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 auditors are unaware. Each of the Board members 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 auditors.

Going concern
Calico has in place an undrawn revolving credit facility, future contracted Homes England grants and generates positive cash from core operations. These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with Calico's day to day operations.

On this basis, the Board has a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. As at 31 March 2025, following a surplus of £2.2m (2024: £1.1m), the Group had net assets of £10.4m (2024: £8.2m).

At 31 March 2025 the Statement of Financial Position records a net current liabilities position of £2.566m (2024: £1.642m). The treasury management policy in place requires the draw down of funds takes place only as required or as liabilities fall due for payment. Included in current liabilities is a £1m (2024: £1m) capital loan repayment which is due to be repaid on 31 March 2026. The board confirm that the net current liabilities position at 31 March 2025 is in line with the 30 year business plan and does not indicate a change to the going concern basis on which the financial statements have been prepared. For this reason, it continues to adopt the going concern basis in the financial statements.

Report of the Board (continued)

Auditor
Crowe U.K. LLP were appointed as auditors in November 2021, following a tender process, for a period of 3 years with an option for a further 2 years. External Audit services are due to be re-procured in 25/26.

This report was approved by the Board on 26 September 2025 and signed on its behalf by:

Philip Watson CBE
Chair to the Board
26 September 2025

Strategic Report

Legal status and objective
The Calico Group Limited was incorporated as a not for profit, non-charitable company limited by guarantee to act as the parent body for the Calico Group of companies ("Calico"). The Calico Group Limited is non asset holding and provides strategy and direction to Calico ensuring opportunities are seen with a whole group perspective. Its Board is drawn from across all areas of activity undertaken by its subsidiaries. The constitution is such that at least 50% of the Board must be independent of any other company within Calico.

Group structure
Following a full review in 2024 of the company and governance structures, there has been a strategic review undertaken by each of the Group companies, this concluded in March 2025. Following this in line with the recommendations from the Group Structure review, there is a further review underway to consider if the existing Group structure is the best option for delivering the Group's corporate objectives.

Calico Homes is a registered charity and the largest provider of affordable housing in the Burnley area. Hobstones Homes Limited is a wholly owned company limited by shares which provides development services and develops design and build contracts to Calico Homes.

In 2018, Syncora Limited was established, a 'Social Enterprise' holding company with a common Board for each of the legal entities which are Enterprise, Acorn and Safenet. This holding company sits between the legal entities and the Group Board. This new arrangement enhanced the continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers.

Calico also operates a commercial building and construction company, Ring Stones Maintenance and Construction Limited to undertake relevant work for Calico Homes Limited ("Homes") and other private customers. This produces VAT savings for Calico and provides a route to work for our apprentices.

Delphi Medical Limited ("DML") and Delphi Medical Consultants Limited ("DMC"), are subsidiaries of Acorn. DMC provides clinical and psychosocial detoxification services which complement existing services provided by Acorn. DMC is no longer trading with all activity within DML with effect from 31st March 2025. Delphi is the lead provider of integrated substance misuse services in Blackpool and in various North West prisons, working alongside Acorn.

Calico's Corporate Plan outlines:

Our Purpose
Calico's Purpose is to "Make a real difference to people's lives".

Calico recognises that as a Group they are uniquely placed to bring together housing, health and social care so that anybody no matter how complex their needs, can live happy and fulfilled lives.

Our Values
The Calico values reflect the priorities we need to concentrate on to ensure that the vision can be delivered. Our values are:

- Going one step further with our customers
- Our wellbeing as individuals and teams
- Improving and strengthening ourselves and our organisation

To achieve our purpose of making a real difference to people's lives.

Strategic Objectives
The purpose, values and vision provide the strategic direction of the Group. The Group will achieve its purpose, values and vision through its strategic objectives.

The four strategic objectives are:

1. To work collaboratively with our customers and communities, to create sustainable change, for existing and future generations
2. To create a place where people want to work now, and in the future,
3. To ensure that our businesses are strong and well-governed and environmentally friendly
4. To set an example, influencing people and organisations to bring about positive social change

Performance for the year
Calico's services include the provision of a diverse range of services in housing, homelessness support and accommodation, help for people suffering from domestic abuse, drug and alcohol recovery services, employability and community support.

Operating across the North-West of England the Calico Group creates a positive impact within its communities providing integrated, innovative and sustainable solutions. The Group's range of services with its values exists to make a difference to people's lives and have a positive impact on society. This report reflects the Group's efforts to create a more sustainable and equitable future and lasting positive change.

Strategic Report (continued)

Performance for the year (continued)

The ongoing economic challenges continue to increase demand for the Groups services whilst working within a volatile external environment. However, the Group continues to respond to these challenges and has continued to pursue its strategic objectives and seek new opportunities to innovate and develop its services.

Calico continues to see increased demand for its services at a time of volatility, competing demand on resources and continued cost pressures. In 24/25, Calico successfully won the tender for 11 lots for the Lancashire and South Cumbria Integrated Care Board Adult Mental Health Multi Peer Support and Physical Health Checks for People with Serious Mental Illnesses. These services are being delivered through Acorn Recovery Services. Safenet also secured a long-term contract with Lancashire County Council (LCC) to deliver domestic abuse support services. For Calico Homes, 61 new homes at Kinross were completed (15 in 2023-24 and a further 46 in 2024-25), rated 'A' for energy. A new 93 unit extra care facility, Dovestone Gardens, was developed by Ring Stones for Calico Homes and opened in April 2025, with domiciliary care services provided by Calico Enterprise, ensuring a high quality accommodation and care offer from the Group.

The Syncora companies are seeing increasing demands for their services and in 24/25 supported over 37,000 customers with a consistent satisfaction level of over 95%.

Acorn services include a volunteering program, counselling, and community services. Acorn works within a range of community settings alongside partner agencies including Delphi Medical Ltd, Change Grow Live (CGL), New Leaf, Greater Manchester Health and Social Care Partnership and Lancashire and South Cumbria Foundation Trust, Supported Housing, Prison in-reach & outreach. Acorn has seen increasing demand which is borne out through improved occupancy rates achieving over 95% throughout the year. Acorn continues to deliver its supported housing offer with over 144 customers accommodated in year. The services have continued to successfully deliver its volunteer programme with over 19,000 volunteer hours delivered in 24/25 (5,000 in 23/24).

Delphi Medical Consultants continued to have various contracts in place across Local Authorities and Mental Health Trusts. These contracts deliver integrated substance misuse services and provide clinical and psychosocial services to three prisons and two secure children's homes. Delphi Medical Consultants provide the clinical treatment services for the Blackburn with Darwen contract and are part of the Horizon contract in Blackpool. To drive further operational cohesion and improved efficiencies a decision was taken in 2023/24 to transfer all aspects of the trading of Delphi Medical Consultants into Delphi Medical Limited and operate as one company. The trade and assets were transferred on 31st March 2025.

SafeNet has continued to grow its services, successfully retaining its domestic abuse services contract with LCC with an enhanced service offer across Lancashire. Safenet has 191 safe accommodation properties across Lancashire and Greater Manchester providing a range of accommodation offers, from a 24-hour service to second stage move on accommodation. Safenet works in partnership to deliver a broad service offer and in 24/25 has secured funds from the Government suicide prevention fund to deliver a range of therapeutic support to survivors including employing a dedicated counsellor. Safenet has also established a new pilot scheme in Bury working with the NHS to provide a hospital based Domestic Violence co-ordinator.

Enterprise's objectives for personal change are achieved through the delivery of social enterprise, skills and support contracts. Calico Enterprise has continued operating its support services, the work streams initiatives include a range of employment services, creative enterprises and also delivering a range of Calico Gateway services across Lancashire and Greater Manchester. Key highlights for 24/25 include delivery of support sessions to over 420 individuals and supporting Project Search, an intern partnership in Burnley supporting young people with a learning disability into employment through its Project Search internship programme, successfully achieving 100% employment for the 24/25 intern cohort. In 24/25 Calico Enterprise has supported over 2,700 people who are homeless or at risk of becoming homeless. Calico Enterprise also provides services that support vulnerable people to achieve and maintain independence and in 24/25 retained the Bury Council floating support service contract.

For Calico Homes overall performance has been positive, however there have been continued external pressures and challenges in key areas, asset management and repairs. In Spring 2024, Calico Homes also had an inspection by the Regulator of Social Housing and was assessed against delivery of the new Consumer Standards introduced in April 2024 for the first time. The outcome of the inspection was published in September 2024, confirming a Consumer Rating of C2, Governance rating of G2 and the financial viability rating remained unchanged at V2.

Calico Homes Board has agreed a regulatory action plan focussing on Consumer and Governance improvements and has worked closely with the Regulator and continues to engage positively with regular progress updates. There has been significant progress with a number of improvements delivered that will sustain these advancements and changes, including outsourcing of all stock condition surveys over 5 years old (completion due in June 2025), an external Governance review and a Group strategic review.

Calico Homes has continued to learn from customer feedback from the newly introduced Tenant Satisfaction Surveys, with customers highest priority to feel safe and secure in their own homes and that they were kept in a good state of repair. During the year the focus was on reducing the number of out of time repairs, which was successfully achieved by the end of March 2025. In 25/26 a refreshed Customer Voice Framework will be delivered and includes the introduction of a new Customer Committee and focusing on delivery of the Consumer Standards.

Strategic Report (continued)

Performance for the year (continued)

Calico Homes is committed to supporting customers to sustain their tenancies and to support this have completed a review of their Allocations Policy. This has enabled them to establish a successful "Pathways to Housing" scheme which supports customers moving out of temporary accommodation into their new home without having to navigate the "B With Us" choice-based lettings system.

As part of the strategic objective to invest in developing new homes, Homes has continued with its ambitious development programme and its new homes have been developed for affordable rent and supported housing in partnership with the group subsidiary Ring Stones Maintenance and Construction Ltd.

Ring Stones have been active across two development projects during the year for Calico Homes, Dovestone Gardens which completed in April 2025, and Kinross Street which was completed in January 2025

Dovestone Gardens provides 93 apartments and associated communal space as well as a commercial Bistro, and is the first Extra Care facility delivered in Burnley The development, which took place over the last two years, includes renewable energy sources such as air source heat pumps and photovoltaic panels, and is also the Group's first full electric operational building.

Kinross Street was developed and successfully completed in January 2025, and provided 61 timber frame properties which achieved an EPC rating of A. The delivery of timber frame was Ring Stones first delivery of this type of development and included renewable energy through inset photovoltaic panels on every property. The development was recently recognized for the build quality at the Northern Housing Awards "Best Affordable Housing Development" category of between £5-£15m.

SECTION 172 (1) STATEMENT

Section 172 of The Companies Act 2006 states that a Director of a company must act in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

The Calico Group Board is committed, both individually and collectively, to promoting the success of Calico and its subsidiaries through regular engagement with all stakeholders including colleagues, customers and the wider community. The Board recognises the importance of maintaining strong relationships with each of our key stakeholders and understanding their needs in order to deliver value and build a better, more resilient and sustainable business. When making decisions, the Board ensures that particular regard is given to the following matters set out in s 172(1) (a) – (f) of the Companies Act 2006:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The Board endeavours to gain an understanding of the perceptions and attitudes of the stakeholders group and ensures that there is regular dialogue taking place with stakeholders, The Board recognise that effective and meaningful engagement will continue to promote the Groups long-term sustainability and success and positive outcomes for customers. It is important for all levels of the business to engage with stakeholder groups to gain a better understanding of their interests and concerns and the impact our decisions have on them. The approach to engagement of all stakeholders applies to each subsidiary within the Group. Details of how the Board has fulfilled its duties under Section 172 and supported the objectives is set out below:

Strategy & Decision Making
The Calico Group Corporate Plan 2022-2025 was launched early 2022. The plan set out an ambitious new vision that continues to transform the Group. In 24/25 the Group has undertaken a comprehensive Strategic Review across all companies reviewing priorities, business activities and identifying where these align with individual company priorities and geographical areas. There is a planned Group Structure Review to follow, which will then support the further development of the Group Corporate Plan. The current Corporate Plan has been extended for a further year with a refreshed Corporate Plan for the Group and each of its subsidiaries planned for completion in November 2025.

Vision
"A community of people, working together with customers to close the equality gap and to show others how we create a fairer society".

Strategic Report (continued)

SECTION 172 (1) STATEMENT (continued)

As a Group, we recognise the role we have to play in tackling inequality in our communities. The Group is strong, diverse and uniquely placed bringing together housing, health and social care, working with customers to make purposeful, positive and sustainable changes to their lives. It is the passion, integrity and purpose of our people that makes things happen. This vision is supported by four strategic objectives, the objectives further demonstrating the Calico's commitment to ensuring stakeholders are the heart of decision making.

Colleague Engagement

Calico has a Group People Strategy which sets out how we will create a place where people want to work now and, in the future. A place where the work is meaningful, the culture fair and inclusive, where people feel safe, cared for, and are supported to perform, learn and grow and stay well. Where the leaders are visible, honest and listen.

Separately there is an Equality, Diversity and Inclusion (EDI) Strategy which aligns with the values and behaviours of Calico with EDI ensuring the fair treatment and opportunity for all, aiming to advance equality of opportunity between groups of people of diverse backgrounds and with diverse needs.

People updates are provided to the Board on the People and EDI strategies along with progress on the key performance indicators.

During 2024 and into 2025, Calico has continued to implement the People Strategy across eight key themes: leadership, talent and development, equality, diversity and inclusion (EDI), employee engagement, One Calico culture, wellbeing, quality and compliance, and the future of work. Calico has ensured each part of the Group has its own people plan, reviewed by respective Boards, supporting local delivery with strategic alignment.

There has been strong progress in enhancing leadership accountability, succession planning, and values-based development. Investment in digital skills, coaching, and apprenticeships reflects the commitment to nurturing talent and future-proofing the workforce. Engagement remained high, evidenced by HIVE survey scores and increased uptake of learning and development opportunities.

Our Recruitment and Selection Policy is underpinned by the principles of the Equality Act, ensuring that no candidate is discriminated against on the basis of protected characteristics. We are committed to equity, which includes having a diverse interview panel wherever possible. As a Disability Confident employer, we guarantee an interview to any disabled applicant who meets the essential criteria for the role.

Where an employee becomes disabled, we:

- Carry out appropriate risk assessments to identify any impact on their role.
- Explore and implement reasonable adjustments to enable them to continue working effectively, whether in the workplace or through remote/eLearning provision.
- Ensure that all digital learning resources meet WCAG 2.0 accessibility standards, supporting the use of assistive technologies such as screen readers, captioning, and accessible navigation.
- Offer alternative formats or tailored solutions where needed, including face-to-face adaptation

For training and career development, we:

- Provide fair and equal access to learning opportunities, with reasonable adjustments made to ensure inclusion.
- Apply the same principle to career progression and promotion, ensuring that the interview and selection process is inclusive, accessible, and equitable.
- Base appointment and promotion decisions on skills, experience, and capability, while ensuring that all candidates are assessed fairly.
- Encourage and support all employees, including those with disabilities, who wish to pursue further development or progression.

We are proud of our inclusive approach to leadership and culture, continuing to embed EDI into everyday practices and policies, and using data insights to improve outcomes for underrepresented groups. Our wellbeing agenda has expanded through dedicated events and stronger mental health support, while new benefits such as salary sacrifice pensions reflect our commitment to financial wellbeing.

Looking ahead, we remain focused on improving consistency in leadership capability, expanding digital confidence, enhancing employee engagement, and offering clear career pathways, ensuring our people feel valued, supported and empowered.

Strategic Report (continued)

The 2024/25 Gender Pay gap report confirms Calico has a mean gender pay gap of 2.65% reducing from the prior year (6.32%) and Calico remains committed to further reducing this gap.

Business Relationships
Regular engagement with customers has continued during the financial year as Calico has continued to increase its service offer in its key care and support services in Syncora. Working with commissioners and local authorities Calico has continued its focus on ensuring safe environments for both colleague and customers. Due to the nature of the services and clinical settings, effective management and leadership remains a primary focus across Calico.

A number of Calico services are regulated by the Care Quality Commission and for Calico Homes the Regulator of Social Housing. The Group operates within a highly regulated environment and Calico has a proactive approach to managing regulatory risks and ensuring compliance with regulatory requirements.

Calico works closely with a range of partners, particularly in Syncora care and support services, where key partners are also delivering services on behalf of the individual companies. Calico continues to engage with Local Authorities, working collaboratively to support delivery of their objectives through provision of a range of services including care, homeless, domestic violence and substance misuse services.

Calico recognises the importance of its suppliers in enabling delivery of its services and aims to treat suppliers fairly and develop strong working relationships. Calico works with suppliers to ensure they have effective controls in place to protect customers health and safety and the security and privacy of their data.

The Board also publishes an annual Modern Slavery and Human Trafficking Statement detailing the work they carry out to address modern slavery and human trafficking.

The Board in its decision-making process takes into account the impacts of the decision on the social and financial return to the Group, its stakeholders and any longer term implications.

Further details of how the Calico companies engage with their stakeholders can be found within each of the subsidiaries Strategic Reports.

Calico is a collection of innovative charities and businesses working together to delivery social profit in the communities they serve. Although the range of services, geography, customers and job roles is diverse the Group has a shared common social purpose “To make a real difference to people’s lives”. Calico activities benefit the wider society and areas we work within and support and lead a wide range of initiatives to benefit customers and the wider communities they work across.

Community & Environment

Calico remains committed to ensure that housing and support services remain focused on supporting those who are homeless, fleeing their homes due to abuse, or are at risk of losing their homes. Calico has continued to provide emergency accommodation and support across its Group subsidiaries providing rehabilitation treatment, temporary homeless accommodation, domestic abuse and refuge services. Calico is a key Burnley Together partner delivering a range of services including Down Town in Burnley, which provides a community kitchen, low cost food support and school uniform to Burnley residents. Calico also provides a range of community creative events and in 2024/25 these have included a Creative and Recovery event and a mural artwork project in Burnley.

Included within Calico’s Environment Strategy is a commitment to sustainability recognising its impact on the community. In the year we have had a range of volunteering days with colleagues and the communities focusing on green spaces, and promotional activities on key action days including World Bee Day and Water Saving week.

As a key social landlord, the Group is committed to achieving zero carbon by 2050 and achieve a minimum of EPC C rating on its Calico Homes properties by 2030.

Further details of how the Calico companies support the community and environment can be found within each of subsidiaries Strategic Reports.

Culture and Values
Calico’s vision is “A community of people, working together with customers to close the equality gap and to show others how we create a fairer society”. As a Group we are strong and diverse. It is the passion, integrity and purpose of our People that make things happen”. To support delivery of this vision there are four strategic objectives which include “To create a place where people want to work now and, in the future”.

Calico’s culture is defined through its values and behaviours which are shared. The key values are to commit to and care about:

- Going one step further with our customers
- Our wellbeing as individuals and teams
- Improving and strengthening ourselves and our organisation

Strategic Report (continued)

These are supported with a behaviours and values framework that focusing on doing the right thing, learn and grow, work together, look after yourself and others, deliver outcomes and develop relationships. The shared purpose and values ensure that Calico connects together as "One Calico". The Board and Executive have taken active steps to ensure the business strategy, people strategy and customer focussed principles, values and behaviours are embraced across the group. Calico also recognises the value of lived experience in delivering essential services to customers and actively promotes and supports colleagues in bringing their experience to the work they do.

The Corporate Plan is supported by an ambitious Group Customer Strategy, which is focused on transforming customer services across the Group, maximising the customer impact of our services.

This statement reflects the Group's approach to creating a more sustainable and equitable future while addressing the unique challenges presented during the year. Further details of how Calico is managed can be found within the Report of the Board.

Principal Risks and uncertainties

Calico maintains a comprehensive Risk Register to monitor principal strategic risks that could materially affect its performance, reputation, and ability to deliver on objectives. As part of the Calico approach to risk management each subsidiary has in place a risk map which includes the mitigations in place for each risks and these are reviewed by their respective Board on a quarterly basis. The Group Risk Map includes a mix of both strategic and operational risks. The most significant risks faced by Calico are shown below:

Strategic Report (continued)

Principal Risks and uncertainties

Risk	Mitigation and Controls
Financial impact of macroeconomic disruption and uncertain government policy impacting ability to deliver strategic objectives	Annual stress testing - scenario planning and mitigations Resilience Plan VFM Strategy (Homes) Procurement Strategy Financial Regulations and Delegations Framework Treasury Strategy and Policy Annual unqualified external audit 30 Year Business Plan Annual Insurance Renewal
Attract a skilled, experienced and diverse workforce	People Strategy EDI Strategy Hive staff engagement Pulse surveys (quarterly and annually) Leadership Development Programmes Inclusion Forum Paying Attention to Groups One Calico Wellbeing programme including annual conference
Data – use of insight	Data Governance Framework Data & Digital Strategies Performance Reporting - Power BI GDPR Mandatory training
Cybersecurity – secure and resilient technology	Disaster Recovery resilience Mandatory Board and staff cyber training Penetration Testing Phishing test exercises Cyber Essentials Specialist Cyber insurance Business Continuity Plan Internal ICT Governance Group
Delivery of the Customer Strategy, and to create sustainable change	Group-wide Customer Strategy and KPIs EDI Strategy & Targets New Customer Voice framework CQC Compliance Tenant Satisfaction Measures Customer Service Training
Group Cohesion and Governance Structure	Group Governance Framework Annual strategic planning and Board effectiveness reviews Group Board Away Days Intra-group agreements “Boards Together" training sessions
Health, safety and wellbeing of Calico customers and staff	Internal and External Inspections and Quality Assurance checks Specialist Compliance Team Health and Safety Policy Mandatory Health and Safety training Annual H&S Board reports
Regulatory and legislative compliance	Financial Regulations Financial regulatory returns Stability Checks Annual External Audit Internal Audits GDPR Reporting Self-Assessments - Governance Codes (Charities & NHF) RSH Standards - Economic and Consumer Quality Assurance Framework - CQC services Annual Board Effectiveness and Skills Review External Governance Reivew (2025) Complaints Annual Report (Homes) Self-Assessment with compliance of the Housing Ombudsman Complaint Handling Code 2024

Strategic Report (continued)

Streamlined Energy and Carbon Reporting (SECR)
As a socially responsible group of businesses, Calico has a responsibility to take an active stance on the environment and show leadership across the Group creating an environmentally friendly culture.

UK Greenhouse gas emissions and energy use data for the period 1st April 2024 to 31st March 2025

	2024-25	**2023-24 Re-stated**
Energy consumption used to calculate emissions (kWh) Figures now include business mileage	**7,691,272**	**7,944,979**
Scope 1 – emissions in metric tonnes CO_2e		
Owned transport – Calico Fleet	294	282
Gas consumption	806	841
Total Scope 1 – Purchased Gas/Diesel & Petrol	**1,100**	**1,123**
Scope 2 – emissions in metric tonnes CO_2e		
Purchased electricity	**355**	**376**
Scope 3 - emissions in metric tonnes CO_2e		
Business Mileage	97	87
Total gross emissions in metric tonnes CO_2e	**1,552**	**1,585**
Intensity Ratio in metric tonnes CO_2e per property	**0.25**	**0.26**
Intensity Ratio in metric tonnes kWh per property	**1,237**	**1,278**

Quantification and Reporting Methodology:
The Group has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2024 UK Government's Conversion Factors for Company Reporting.

In line with Streamlined Energy and Carbon Reporting (SECR) guidance, for 2024-25, Calico has included 'Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory]' in total energy consumption.

Including emissions from this category, will increase intensity ratios, but by updating 2023/24 figures using same methodology allows like-for-like comparisons.

Streamlined Energy and Carbon Reporting (SECR) (continued)

Our internal carbon scopes have been broken down as:

Scope 1 (Direct emissions): Activities owned or controlled by the organisation that release emissions straight into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles, emissions from chemical production in owned or controlled process equipment.

Scope 2 (Energy indirect): Emissions being released into the atmosphere associated with our consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of our organisation's activities but which occur at sources we do not own or control.

Scope 3 (Other indirect): Emissions that are a consequence of our actions, which occur at sources which we do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by our organisation, property leased waste disposal or purchased materials.

Strategic Report (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

Intensity measurement:
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per property owned/managed by the Group. We have measured this for both CO2e per property and also kWh per property.

Although the main housing stock is held within Calico Homes approximately 5,400 units are not included within Scope 1 and 2. The provision of shared accommodation, community centres, communal areas, refuges and our care home is included.

- Gas and electricity usage both decreased, contributing to lower emissions.
- Transport and business travel emissions increased, indicating higher activity.
- A major shift in gas emissions classification from communal areas to communal heating systems – due to more detailed statistics being used and the change in methodology

Positive Indicators

- Total emissions dropped by 30 tonnes CO_2e (-1.9%), showing environmental progress.
- Electricity and gas use fell, reducing reliance on fossil fuels and carbon output.
- Total energy usage decreased by 306,282 kWh, demonstrating improved efficiency.

Areas for focus

The Calico Group has launched its Group Environment Strategy, approved in 2024, which outlines a coordinated and measurable approach to reducing environmental impact across the organisation. Key priorities from this strategy are now being disseminated to each subsidiary company—Calico Homes, Ring Stones, and Syncora—to embed environmental responsibility into day-to-day operations and long-term planning.

Each company is tasked with developing and implementing practical actions that contribute to the Group's overall goals, with a focus on reducing carbon emissions, cutting waste, and lowering travel related impacts. These actions may include improvements to fleet efficiency, adoption of low-carbon technologies, increased use of digital collaboration tools, and greater emphasis on practices such as reuse and material recovery.

All outputs will be regularly recorded, monitored, and reported to the relevant boards, ensuring accountability and driving continuous improvement. By embedding environmental performance into governance structures, the Calico Group aims to support the wider sustainability goals of the sector and contribute to local and national net zero targets.

Since the launch of the Group Environment Strategy, Calico Homes have taken a fabric first approach to improving the energy efficiency of its stock and include:

- Installing new double-glazed windows
- Replacing wooden exterior doors with composite
- Refurbishing roofs
- Installing fuel efficient condensing combi boilers
- Maintaining and servicing PV systems,
- Loft and cavity wall insulation
- Installing retrofit measures such as external wall insulation

Capital structure and treasury management
There are two Calico companies which have loan facilities in place, Calico Homes Limited ("Homes") and Acorn Recovery Projects ("Acorn").

In 2024/25 Homes total borrowings are £163.6m (2024: £153.6 m).

Homes has loans with both the NatWest and Nationwide at both fixed and floating rates of interest and with MORHomes at a fixed rate of interest. Calico Homes currently has 82.3% (2024: 90.0%) of its borrowings at fixed rates. The loans are secured by fixed and floating charges on the property stock.

Strategic Report (continued)

Capital structure and treasury management (continued)

Acorn has an external loan facility in place with Barclays Bank. As at 31 March 2025 the loan totalled £0.111m (2024: £0.142m) and there were not any additional borrowings undertaken in year.

Acorn's loan is based on both fixed and floating rates and the loan is secured by fixed charges on Acorn properties.

Gearing is in line with the long-term business plans which demonstrates that Calico is able to repay loans in line with the agreement with our funders.

Calico borrows only in sterling and so is not exposed to currency risk.

This report was approved by the Board on 26th September 2025 and signed on its behalf by:

Philip Watson CBE
Chair to the Board
26th September 2025

Independent Auditor's Report to the Members of The Calico Group Limited

Opinion

We have audited the financial statements of Calico Group Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2025 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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 directors' 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 group'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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

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

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 this gives rise to a material misstatement in the financial statements themselves. 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 matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report 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 have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, completeness of contract and grant income, and the capitalisation of development costs. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and reviewing accounting estimates for biases, risk profiling and testing of a selection of journal entries, testing a sample of contracts and grant agreement to the nominal ledger and testing a sample of additions of housing properties under construction to valuation certificates.

Owing 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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website 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.

Vicky Szulist

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Manchester

26th September 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	2	85,141	75,355
Operating costs	2	(75,675)	(67,109)
Gain on disposal of fixed assets	4	652	708
Operating surplus		10,118	8,954
Interest receivable and similar income		229	245
Interest payable and financing costs	5	(8,345)	(7,861)
Surplus before tax		2,002	1,338
Taxation	9	32	(29)
Surplus for the year after tax		2,034	1,309
Actuarial gain/(loss) in respect of pension schemes	7	153	(228)
Total comprehensive income for the year		2,187	1,081

The results relate wholly to continuing activities and the notes on pages 26 to 45 form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025	2024
		£'000	**£'000**
Fixed assets			
Tangible fixed assets	10	219,379	205,815
Intangible assets and goodwill	11	189	134
Investments	12	479	479
		220,047	206,428
Current assets			
Stock		150	130
Trade and other debtors	13	4,806	5,014
Cash and cash equivalents		4,782	2,890
		9,738	8,034
Creditors: Amounts falling due within one year	14	(12,304)	(9,676)
Net current assets / (liabilities)		(2,566)	(1,642)
Total assets less current liabilities		217,481	204,786
Creditors: Amounts falling due after more than one year	15	206,640	195,811
Provisions for liabilities	21	449	770
		207,089	196,581
Capital and reserves			
Income and expenditure reserve		10,272	8,081
Restricted reserve		120	124
Total reserves		10,392	8,205
		217,481	204,786

The notes on pages 26 to 46 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 26 September 2025 and signed on its behalf by:

Philip Watson CBE
Chair to the Board

Joanne Peters
Chair of Audit Committee

Statement of Financial Position – The Calico Group Limited

As at 31 March 2025

	Note	2025 £'000	2024 £'000	2023 £'000
Current assets				
Trade and other debtors	13	645	311	318
Cash and cash equivalents		258	22	34
		903	333	352
Creditors: Amounts falling due within one year	14	(888)	(325)	(344)
Net current assets		15	8	8
Net assets		15	8	8
Capital and reserves				
Income and expenditure reserve		15	8	8

The Calico Group Limited is a non-asset holding parent company.

The company's profit for the year was £7k (2024:nil) and total comprehensive income was £5,328k (2024: £81k).

The notes on pages 26 to 46 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 26 September 2025 and signed on its behalf by:

Philip Watson CBE
Chair to the Board

Joanne Peters
Chair of Audit Committee

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2025

	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
Balance as at 1 April 2023	6,996	128	**7,124**
Surplus from Statement of Comprehensive income	1,081	-	**1,081**
Transfer of restricted expenditure from unrestricted reserve	4	(4)	**-**
Balance at 31 March 2024	8,081	124	**8,205**
Surplus from Statement of Comprehensive income	2,187	-	**2,187**
Transfer of restricted expenditure from unrestricted reserve	4	(4)	**-**
Balance at 31 March 2025	10,272	120	**10,392**

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Note	2025 £'000	2024 £'000
Net cash inflow from operating activities	25	16,887	14,158
Cash flow from investing activities			
Interest received		229	245
Purchase of housing properties and improvements		(18,185)	(18,466)
Grants received		1,084	-
Purchase of other tangible fixed assets	10	(500)	(820)
Purchase of intangible fixed assets	11	(131)	(29)
Sale of housing properties		884	885
Net cash used in investing activities		(16,619)	(18,185)
Cash flow from financing activities			
Interest and financing costs paid		(8,345)	(7,738)
New secured loans		11,000	11,000
Repayment of borrowings		(1,031)	(28)
Net cash from / (used in) financing activities		1,624	3,234
Net change in cash and cash equivalents		1,892	(793)
Cash and cash equivalents at beginning of the year		2,890	3,683
Cash and cash equivalents at end of the year		4,782	2,890

The notes on pages 26 to 45 form an integral part of these accounts

Notes to the Consolidated Financial Statements

Legal Status

The Calico Group Limited is a not for profit, private non-charitable company limited by guarantee incorporated in England & Wales. The Company is non asset holding and provides strategy and direction to the group ensuring opportunities are seen with a whole group perspective. Its Board is drawn from across all areas of activity undertaken by its subsidiaries. The constitution is such that at least 50% of the Board must be independent of any other company within the group. The registered office for all Group companies is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

1. Accounting policies

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.

The financial statements are presented in pounds sterling £'000 because that is the functional currency of the Group.

The Calico Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in respect to financial instruments.

Going concern

Calico has in place two undrawn revolving credit facilities, future contracted Homes England grants and generates positive cash from core operations. These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Calico day to day operations.

The Board have reviewed the Group's activities, financial position and future trading activities alongside the current risks and any other key factors that will affect the future financial position. This includes the impact of economic uncertainty and service delivery. The Board have concluded that through the ongoing monitoring of financial performance and risk management that it is reasonable to expect that the organisation and subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

As at 31 March 2025, following a surplus of £2.1m (2024: £1.1m), the Group had net assets of £10.3m (2024: £8.2m). At 31 March 2025 the Statement of Financial Position records a net current liabilities position of £2.609m (2024: £1.642m). The treasury management policy in place requires the draw down of funds take place only as required or as liabilities fall due for payment. Included in current liabilities is a £1m (2024: £1m) capital loan repayment which is due to be repaid on 31 March 2026. The board confirm that the net current liabilities position at 31 March 2025 is in line with the 30 year business plan and does not indicate a change to the going concern basis on which the financial statements have been prepared. For this reason, the Group continues to adopt the going concern basis in the financial statements.

Basis of consolidation

The Calico Group Limited is required by statute to prepare group accounts. The consolidated financial statements incorporate the results of The Calico Group Limited, and its subsidiary undertakings, Calico Homes Limited, Syncora Limited, Calico Enterprise Limited, SafeNet Domestic Abuse and Support Services Ltd, Hobstones Homes Limited, Ring Stones Maintenance & Construction Limited, Acorn Recovery Projects, Delphi Medical Limited and Delphi Medical Consultants Limited.

Using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date, the Group obtains control. Where the merger method is used, the results are incorporated from the date that control passes. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Where necessary, adjustments are made to financial statements of subsidiaries to bring accounting policies used into line with those used by other members of the group.

The Group has taken advantage of the exemption granted under Section 408 of Companies Act 2006 from disclosing the unconsolidated Statement of Comprehensive Income for the parent entity.

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. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- **Development expenditure**. The Group capitalises development expenditure in accordance with the accounting policy described on page 29. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

- **Categorisation of housing properties**. The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that there are no investment properties.

- **Pension and other post-employment benefits.** The cost of defined benefit contributions and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.
- **Impairment of non-financial assets. Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit ("CGU") is recognised by a charge to the Statement of Comprehensive Income. Factors taken into consideration as part of assessing triggers include the economic viability and expected future financial performance of the assets Impairment is recognised where the carrying value of a CGU exceeds the higher of its net realisable value or its value in use. A CGU is normally a group of properties at scheme level whose cash income can be separately identified.

  Following a trigger for impairment, the Group performs impairment tests based on fair value costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in arm's length transaction or similar CGUs or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on a depreciated replacement cost based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential as the existing property.

- Other key sources of estimation and assumptions:
- **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Goodwill and intangible assets.** The Group 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 useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life assumptions that 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.

Merger accounting

Where merger accounting is used, the investment is recorded at the nominal value of shares issued together with the fair value if any additional consideration paid. In the Group's financial statements, merged subsidiary undertakings are treated as if they already had been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period and the assets and liabilities at the previous Statement of Financial Position date.

Intangible fixed assets

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Subsequently goodwill is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis over the estimated useful life. The Group establishes a reliable estimate of the useful life of goodwill arising on business combinations based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life assumptions that market participants would consider in respect of similar businesses.

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

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The ability to use the software.
- The availability of adequate resources to complete the development.
- The ability to measure reliably the expenditure attributable to the software during its development.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The principal annual rates used are 20-33% for software development costs.

Turnover

Turnover represents rental income receivable, amortised capital grant, supporting people services contract income, revenue grants from local authorities and Homes England, medical treatment income, development services income, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements. Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Turnover is stated exclusive of Value Added Tax (“VAT”) and a summary can be found in note 2 to the financial statements.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan Interest payable

Loan Interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in The Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred tax income is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value added tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Leased assets
Assets held under finance leases are included in the Statement of Financial Position and depreciated in accordance with the Company's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to the Statement of Comprehensive Income over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Tangible fixed assets and depreciation

Social housing properties
Social housing properties are principally properties available for rent and are stated at cost or valuation less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements subsequently made to social housing properties are capitalised in-line with component accounting regulations. See deprecation of social housing properties note for more information.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Capitalisation of interest and administration costs
Interest on loans financing development is capitalised up to the date of completion of the scheme and only when development activity is in progress.

Administration costs relating to the development activities capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Supported housing managed by agencies
Where the Company holds the support contract with the Supporting People Administering Authority and carries the financial risk, the entire project's income is included in the Company's Statement of Comprehensive Income.

Depreciation - Social housing properties
Freehold land is not depreciated. Where a social housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life, on the basis of original cost, less the proportion of SHG and other grants attributable to the component. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred and any remaining net book value relating to the original component is written off to the Statement of Comprehensive Income in the year it is disposed of.

The company depreciates freehold housing properties by component on a straight-line basis over the estimated useful economic lives of the component categories.

Major components and their useful economic lives are as follows:

Structure	100 years	External wall insulation	25 years
Roof	50 years	Electrical wiring	25 years
Bathrooms	30 years	Solar panel system	25 years
Externals	30 years	Doors	20 years
Windows	30 years	Kitchens	20 years
Central Heating	30 years	Boilers	15 years
Ventilation Works	10 years		

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Low-cost home ownership properties
Low-cost home ownership properties are split proportionally between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sales proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a tangible fixed asset and subsequent sales treated as sales of fixed assets in operating profit.

Depreciation - Other tangible fixed assets
Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

• Freehold property	75 years
• Leasehold properties	75 years or the term of the lease if lower
• Furniture, fixtures and fittings	10-33%
• Computers and office equipment	25-33%
• Motor vehicles	25%
• Plant	20-33%

Stock and properties held for sale
Stocks of materials are stated at lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

Bad Debts and Write-Offs
Bad debts will be charged to the Statement of Comprehensive Income in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the balance sheet date.
In respect of rental debtors' provision is made on the following basis:
(a) Current tenants at varying percentages dependant on value of the debt based on a bespoke calculation using the current tenant arrears.
(b) Former tenants at 100% of the debt.

In respect of other debtors' provision is made for specific debtor balances.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Social housing and other government grants
Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant
Where grant is recycled, as described above, the grant is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Holiday Pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the reporting date.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Pensions

The Group operates defined contribution plans for the benefit of its employees. The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Group also participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The Group ceased contributions to this defined benefit scheme as at 1 August 2019. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the Group's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Further details of the assumptions and the defined benefit pension plan is in note 7.

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Fixed asset investments such as ordinary shares and fixed rate unsecured convertible loan notes are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Loans

All loans held by the Group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction type plus transaction costs initially, and subsequently at amortised cost using the effective interest method. Loans repayable less than one year are not discounted.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

(a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

(b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

2. Turnover, operating expenditure and operating surplus

Continuing activities

	2025 Turnover £'000	2025 Operating costs £'000	2025 Operating surplus/ (deficit) £'000	2024 Turnover £'000	2024 Operating costs £'000	2024 Operating surplus/ (deficit) £'000
Social housing lettings	30,947	(22,045)	**8,902**	28,424	(20,580)	**7,844**
Support services	8,507	(7,417)	**1,090**	8,241	(7,830)	**411**
Development services	12,537	(12,320)	**217**	12,479	(12,288)	**191**
Non-social housing other	33,150	(33,893)	**(743)**	26,211	(26,411)	**(200)**
	85,141	(75,675)	**9,466**	75,355	(67,109)	**8,246**

3. Surplus on ordinary activities

The operating surplus is stated after charging / (crediting):-

	Note	2025 £'000	2024 £'000
Depreciation of tangible fixed assets	10	5,118	4,773
(Gain)/Loss on disposal of fixed assets (social housing)	4	(652)	(708)
Impairment of fixed assets	10	65	-
Amortisation of intangible fixed assets	11	76	116
Amortisation of government grants		(394)	(372)
Operating lease rentals – land and buildings		2,176	2,282
Operating lease rentals – other		375	414
Auditor's remuneration (excluding VAT):			
• for audit services		108	105
• for non-audit services (tax)		12	17

4. Gain on disposal of fixed assets (social housing)

	2025 £'000	2024 £'000
Disposal proceeds	884	885
Carrying value of fixed assets	(232)	(177)
Gain on disposal of fixed assets	652	708

Disposal proceeds represent receipts for sale of properties under RTA (Right to Acquire) and RTB (Right to Buy).

Notes to the Consolidated Financial Statements (continued)

5. Interest payable and finance costs

	2025	2024	2
	£'000	£'000	£'
Loans and bank overdrafts	8,516	7,790	7,
Net interest on pension deficit	193	190	
	8,709	7,980	7,
Less: interest capitalised on housing properties under construction	(364)	(119)	(4
	8,345	7,861	6,

6. Employees

Average monthly number of employees

	2025	2024
	No.	No.
Administration	129	134
Housing and community services	510	575
Non-social housing activity	284	248
Total	923	957

Employee Costs	**£'000**	**£'000**
Wages and salaries (gross)	26.423	26,051
Social security costs	2,495	2,304
Other pension costs	1,044	971
Termination payments	24	60
Pension adjustment	(202)	(192)
Total	29,784	29,194

Number of employees in the Group with emoluments, including pension contributions, between:

	2025	2024
	No.	No.
£60,000 to £70,000	13	8
£70,000 to £80,000	4	9
£80,000 to £90,000	3	3
£90,000 to £100,000	2	3
£100,000 to £110,000	4	5
£110,000 to £120,000	2	1
£120,000 to £130,000	1	-
£140,000 to £150,000	-	1
£150,000 to £160,000	1	1
£160,000 to £170,000	1	-

Notes to the Consolidated Financial Statements (continued)

7. Pension obligations

Social Housing Pension Scheme

The Group participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the Group's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The latest actuarial valuation was as at 30 September 2023, and the last estimate 30 September 2024.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	3,145	3,170
Present value of defined benefit obligation	3,594	3,940
Surplus (deficit) in plan	(449)	(770)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(449)	(770)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	**(449)**	**(770)**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	Period from 31 March 2024 to 31 March 2025 (£000s)
Defined benefit obligation at start of period	3,940
Current service cost	-
Expenses	8
Interest expense	193
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	162
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(641)
Benefits paid and expenses	(68)
Defined benefit obligation at end of period	**3,594**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	Period from 31 March 2024 to 31 March 2025 £'000
Fair value of plan assets at start of period	3,170
Interest income	159
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(326)
Contributions by the employer	210
Contributions by plan participants	-
Benefits paid and expenses	(68)
Fair value of plan assets at end of period	**3,145**

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £167k (2024: £145k)

Notes to the Consolidated Financial Statements (continued)

7. Pension obligations (continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)	From 31 March 2024 to 31 March 2025 (£000s)
Current service cost	-
Expenses	8
Net interest expense	34
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**42**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	From 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(326)
Experience gains and losses arising on the plan liabilities - gain (loss)	(162)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	641
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	153
Total amount recognised in other comprehensive income - gain (loss)	**153**

ASSETS	31 March 2025 (£000s)	31 March 2024 (£000s)
Global Equity	353	316
Absolute Return	-	124
Distressed Opportunities	-	111
Credit Relative Value	-	104
Alternative Risk Premia	-	100
Liquid Alternatives	583	-
Emerging Markets Debt	-	41
Risk Sharing	-	186
Insurance-Linked Securities	10	17
Property	-	127
Infrastructure	-	320
Private Equity	3	3
Real Assets	377	-
Opportunistic Illiquid Credit	-	124
Private Credit	385	-
Credit	121	-
Investment Grade Credit	97	-
Cash	42	62
Long Lease Property	1	21
Secured Income	52	94
Liability Driven Investment	952	1,290
Currency Hedging	5	(1)
Net Current Assets	**7**	**6**
Total Assets	**3,145**	**3,170**

Notes to the Consolidated Financial Statements (continued)

7. Pension obligations (continued)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS	31 March 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.94%	4.93%
Inflation (RPI)	3.04%	3.08%
Inflation (CPI)	2.80%	2.79%
Salary Growth	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.7
Female retiring in 2044	24.5

8. Board members and executive officers

	Group 2025 £'000	Group 2024 £'000
The aggregate emoluments paid to or receivable by non-executive Directors	126	117
The aggregate emoluments paid to or receivable by executive officers	1,463	1,543
The aggregate compensation paid to or receivable by executive officers	-	30
The emoluments paid to the highest paid executive officer (excluding pension)	159	145
The aggregate pension costs for executive officers	111	63
Total key management personnel remuneration	1,544	1,660

The key management personnel are the persons listed as Board and executive officers on page 1 and of each group entity.

The Calico Group Board members (non-executive directors) are paid an allowance. The total of this for the year to 31 March 2025 was £45k (2024: £42k). The Chair now receives £11,781 annually (2024: £11,550) and all other Board members £4,284 (2024: £4,200)

Notes to the Consolidated Financial Statements (continued)

8. Board members and executive officers (continued)

The Syncora Board members (non-executive directors) receive annual allowances. For the period to 31 March 2025 the total was £34k (2024: £33k). The Board and Committee Chairs now receive £6,426 (2024: £6,300) and all other Board members £4,284. (2024: £4,200)

The Ring Stones Board members (non-executive directors) receive an allowance. For the current period, the total was £6k (2024: £7k). The non-executive Board members now receive £4,284 each (2024: £4,200)

The Calico Homes Board members (non-executive directors) receive annual allowances. For the period to 31 March 2025 the total was £41k (2024: £35k). The Chair now receives £6,426 (2024: £6,300) and all other Board members £4,284 (2024:£4,200)

9. Taxation on ordinary activities

Most subsidiaries in the group hold charitable status and therefore their activities are deemed to be non-taxable. The exceptions to this are outright property sales in Calico Homes Limited and any profits made by Hobstones Homes Limited, Ring Stones Maintenance and Construction Limited, Delphi Medical Limited, Delphi Medical Consultants Limited and Syncora Limited.

	2025	**2024**	**20**
	£'000	**£'000**	**£'0**
UK corporation tax charge for the year	11	29	
Surplus on ordinary activities before tax at standard rate of corporation tax	2,002	1,338	1,4
Surplus on ordinary activities before tax at standard rate of corporation tax of 25% (2024: 25%)	501	334	2
Effect of charitable income and expenditure not subject to tax	(492)	(332)	(3
Adjustments in respect of prior years	(55)		
Adjustment for short term timing differences	11	27	
Tax charge for period	(35)	29	

Notes to the Consolidated Financial Statements (continued)

10. Tangible fixed assets

	Social housing properties	Freehold property	Leasehold property	Furniture, fixtures & fittings	Computers & office equipment	Plant	Motors	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2024	237,867	1,487	6,528	1,694	1,327	8	63	**248,974**
Additions	18,549	243	5	176	74	1	-	**19,048**
Disposals	(724)	(77)	(27)	(109)	(3)	-	-	**(940)**
At 31 March 2025	255,692	1,653	6,506	1,761	1,398	9	63	**267,082**
Depreciation and impairment								
At 1 April 2024	40,514	327	1,114	484	671	7	40	**43,157**
Charged in year	4,447	15	177	236	233	1	9	**5,118**
Impairment of assets	-	-	-	65	-	-	-	**65**
Disposals	(507)	(5)	(13)	(109)	(3)	-	-	**(637)**
At 31 March 2025	44,454	337	1,278	676	901	8	49	**47,703**
Net book value at 31 March 2025	**211,237**	**1,317**	**5,228**	**1,085**	**497**	**1**	**14**	**219,379**
Net book value at 31 March 2024	197,351	1,160	5,414	1,210	656	1	23	205.815

Notes to the Consolidated Financial Statements (continued)

10. Tangible fixed assets (continued)

Housing properties comprise:

	2025 £'000	2024 £'000
Freehold land and buildings	119,751	110,531
Long leasehold land and buildings	69,045	69,379
Properties under construction	22,541	17,541
	211,337	197,451
Major works to existing properties in the year:		
Works capitalised	4,045	3,590
Amounts charged to expenditure	1,560	1,207
	5,605	4,797
Aggregate amount of interest and finance costs included in additions to the cost of housing properties (note 5)	364	119
The net book value of secured assets	114,514	120,956

11. Intangible Fixed Assets

	Goodwill £'000	Software & Licences £'000	Group Total £'000
Cost			
At 1 April 2024	411	559	970
Additions	-	131	131
Disposals	-	-	-
At 31 March 2025	411	690	1,101
Amortisation			
At 1 April 2024	411	425	836
Charge for the year	-	76	76
Disposals	-	-	-
At 31 March 2025	411	501	912
Net Book Value at 31 March 2025	**-**	**189**	**189**
Net Book Value at 31 March 2024	**-**	**134**	**134**

Notes to the Consolidated Financial Statements (continued)

12. Fixed Asset Investments

	2025	2024
	£'000	£'000
A ordinary shares number 155,000 (2024: 155,000)	159	159
Fixed rate unsecured convertible loan notes	320	320
	479	479

In respect of the funding with MORhomes PLC, detailed in note 20, the company has 155,000 "A" ordinary shares and £320,000 of fixed rate unsecured convertible loan notes.

13. Debtors

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year				
Rent and service charges receivable	2,065	1,848	-	-
Less: Provision for bad and doubtful debts	(1,106)	(838)	-	-
	959	1,010	-	-
Other debtors	2,574	2,953	511	311
Less: Provision for bad and doubtful debts	(226)	(568)	-	-
Prepayments and accrued income	1,483	1,619	-	-
Amounts due from subsidiaries	-	-	134	-
Corporation tax	16	-	-	-
	4,806	5,014	645	311

14. Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Debt (Note 16)	1,032	1,034	-	-
Trade creditors	2,513	2,647	-	1
Rent and service charges received in advance	832	699	-	-
Other creditors	2,108	578	430	301
Accruals and deferred income	4,709	3,682	-	5
Other taxation and social security	681	633	14	18
Corporation tax	7	8	-	-
Amounts due to subsidiaries	-	-	444	-
Deferred capital grant (Note 17)	422	395	-	-
	12,304	9,676	888	325

Notes to the Consolidated Financial Statements (continued)

15. Creditors: amounts falling due after more than one year

	Group 2025 £'000	Group 2024 £'000
Debt (Note 16)	161,893	151,599
Loan premium	1,755	1,890
Deferred Capital Grant (Note 17)	42,875	42,235
Recycled Capital Grant Fund	66	41
Other Creditors	51	46
	206,640	195,811

16. Debt analysis

	Group 2025 £'000	Group 2024 £'000	Grou 202 £'0
Bank loans			
Within one year (note 13)	1,032	1,034	3
Between two to five years	8,529	6,608	5,13
After five years	153,364	144,991	136,24
	162,925	152,633	141,4

The Group currently borrows from NatWest, Nationwide and MORhomes for Calico Homes Limited ("Homes") and from Barclays Bank for Acorn Recovery Projects ("Acorn").

The NatWest and Nationwide loans are at both fixed and floating rates of interest. In March 2021, Homes obtained new funding of £27.8m from MORhomes PLC at a fixed rate. Currently 82.3% (2024: 90.0%) of Homes borrowings are at fixed rates.

The fixed rates of interest range from 2.87% to 7.64% (2024: 2.87% to 7.64%) and the weighted average rate of interest on all loans is 4.96% (2024: 4.81%). Variable rate loans have their rate linked to SONIA.

Break costs
The Group has interest rate fixes and forward rate fixes in place maturing at intervals up to 2038, if these fixes are not taken up or are terminated prior to maturity break costs will be incurred. No provision for break costs is recognised in the financial statements as it is likely that they will be taken up when they fall due and terminations prior to maturity date are not expected.

Our loan portfolio also includes a number of loans whose interest rate is calculated in relation to the retail price index. Details are as follows:

Value date	Maturity date	Lender	Type	Amount £'000	Rate including margin at 31/03/2024 %
13/10/2008	13/10/2038	Nationwide	RPI cap/collar	3,000	7.67

RPI (floor 0% p.a., Cap 5% p.a.) + 0.915% + margins payable from the effective date.

The Homes bank loans are secured by a fixed and floating charge over the assets of Homes held on behalf of the Funders by Prudential Trustee Company. The loans are repayable in agreed stages from 2018 onwards. The break costs are considered to be the fair value of the loans. At 31 March 2025, the Homes secured assets had a net book value of £115.0m (2024: £121.0m).

Notes to the Consolidated Financial Statements (continued)

16. Debt analysis (continued)

At 31 March 2025, Homes had un-drawn loan facilities of £3.7m (2024: £14.7m) of its total loan facility of £167.3m (2024: £168.3m).

The Acorn loans from Barclays Bank plc totalling £0.1m (2024: £0.1m) are secured by legal charges over specific assets held by Acorn (Rosemary Court), which at 31 March 2025 had a net book value of £0.43m (2024: £0.44m).

17. Deferred capital grant

	Group 2025 £'000	Group 2024 £'000	Gro 20 £'0
At start of year	42,630	41,144	33,5
Grant received in the year	1,060	1,858	7,9
Released to income in the year	(393)	(372)	(3
At the end of the year	43,297	42,630	41,1
Amount due to be released < 1 year (Note 14)	422	395	4
Amount due to be released > 1 year (Note 15)	42,875	42,235	40,7
	43,297	42,630	41,1

18. Financial commitments

Capital expenditure commitments were as follows:

	Group 2024 £'000	Group 2024 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	572	11,501
Expenditure approved by the Board, but not contracted	-	3,400
	572	14,901

These are to be funded out of undrawn loan facilities of £3.7m (2024: £14.7m) and estimated grants of £1.5m (2024: £3.7m) and relate to potential property developments.

Notes to the Consolidated Financial Statements (continued)

19. Analysis of changes in net debt

	At beginning of the Year £'000	Cash Flows £'000	Other Changes £'000	At end of the Year £'000
Cash and Cash Equivalents	2,890	1,892	-	4,782
Debt due within one year	(1,034)	-	2	(1,032)
Debt due after one year	(151,599)	(10,000)	(294)	(161,893)
	(149,743)	(8,108)	(292)	(158,143)

20. Operating leases

The Group had commitments of future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £'000	Group 2024 £'000
Land and buildings, leases expiring:		
• Within one year	978	1,120
• Two to five years	348	595
• Beyond five years	-	-
	1,326	1,715
Other leases expiring:		
• Within one year	276	330
• Two to five years	180	412
	456	742

21. Provisions for liabilities

	2025 £'000	2024 £'000
SHPS – Social Housing Pension Scheme (Note 7)	449	770

Notes to the Consolidated Financial Statements (continued)

22. Contingent liabilities

We have been notified by the Trustee of the SHPS that it has performed a review of the changes made to the SHPS's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is on-going and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of SHPS liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

23. Related parties

Members of The Calico Group Board during the period that were or are also members of other group company Boards: Joanne Peters (Syncora Limited), Richard Jones (Syncora Limited), William Lacey (Calico Homes Limited) and Sarah Roberts (Calico Homes Limited).

The Calico Group Limited is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption available under Section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

24. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of the following entities which are 100% controlled by The Calio Group Limited:

Company No.	Company Name
08747100	The Calico Group Limited, the ultimate parent undertaking
03752751	Calico Homes Limited
11171831	Syncora Limited
06329047	Calico Enterprise Limited
03860803	SafeNet Domestic Abuse and Support Services Ltd
08156717	Hobstones Homes Limited
03360545	Acorn Recovery Projects
08156713	Ring Stones Maintenance & Construction Limited
06944767	Delphi Medical Limited
06014150	Delphi Medical Consultants Limited (trade and assets acquired by Delphi Medical Limited on 31st March 2025)

In addition, the following entities which are 100% controlled by The Calico Group Limited have been excluded from the consolidation as they are dormant:

Company No.	Company Name
07083161	Calico Housing Limited
14423846	Syncora Care Limited
06545855	Alcohol and Drug Abstinence Service (Management) Limited

The Calico Group Limited has 100% of the shares in Hobstones Homes Limited and Ring Stones Maintenance & Construction Limited. The former is the Design & Build company and the latter the construction entity that were created to realise savings on VAT to the group for development and major works, provide labour and apprenticeships in the local market.

Calico Homes Limited, a company limited by guarantee, 100% controlled by The Calico Group Limited, is a charity and a registered provider of social housing.

Syncora Limited, a company limited by guarantee and a 100% subsidiary of The Calico Group Limited, holds 100% control of the care and support entities. Calico Enterprise Limited, is a charitable subsidiary formed to assist the delivery of a range of care and worklessness related services, SafeNet Domestic Abuse and Support Services Ltd, is a charitable subsidiary which protects victims of domestic violence and abuse and provides services to support victims. Acorn Recovery Projects is a charitable subsidiary formed to help the recovery of addicts.

Acorn Recovery Projects, owns 100% of the shares of Delphi Medical Limited and Delphi Medical Consultants Limited, which provide medical treatment for addicts. Delphi Medical Limited acquired the trade and assets of Delphi Medical Consultants Limited on 31st March 2025.

The registered address for all subsidiaries is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED

Notes to the Consolidated Financial Statements (continued)

25. Reconciliation of Group surplus before tax to net cash generated from operating activities

	Note	2025 £'000	2024 £'000
Surplus before tax		2,002	1,338
Adjustments for non-cash items:			
Pension adjustment		(168)	(162)
Depreciation of tangible fixed assets	3 & 10	5,183	4,773
Gain on disposal of fixed assets (social housing)	3 & 4	(581)	(708)
Amortisation of intangible fixed assets	11	76	116
Amortisation of government grants	3	(395)	(372)
Tax paid		(6)	(90)
Working capital movements:			
Decrease/(Increase) in stock		(20)	20
Decrease/(Increase) in debtors		224	956
(Decrease)/Increase in creditors		2,456	671
Adjustments for investing or financing activities:			
Interest payable and financing costs		8,345	7,861
Interest receivable and other income		(229)	(245)
Net cash generated from operating activities		16,887	9,313

26. Financial instruments

	2025 £'000	2024 £'000
Financial assets that are debt instruments measured at amortised cost:		
• Cash at bank and in hand	4,782	2,890
• Rent and service charges receivable	959	1,010
• Other debtors	2,348	2,385
	8,089	6,285
Financial liabilities at amortised cost:		
• Bank loans	162,925	152,633
• Trade creditors	2,530	2,647
• Deferred capital grant	43,297	42,630
• Recycled capital grant	66	41
	208,818	197,951

27. Post Balance Sheet Events

In 24/25 the Board commenced a strategic review of its sheltered housing schemes. The review has been prompted by a combination of factors, which include future increased maintenance liabilities, and evolving resident support needs that may no longer be fully met within the existing model/schemes.

As part of this review, all options are under consideration. To date there have been remediation works identified with a scheme and management are currently assessing the impact and undertaking a risk assessment of future operations for this scheme and service.

At the date these financial statements were authorised for issue, no final decision has been made, and no contractual obligations have been entered into. If the decision is taken to close or redevelop the scheme, there is a risk of impairment to the carrying value of the property asset, relocation, and decommissioning costs. Given the uncertainty surrounding the outcome of the review, no adjustments have been made in these financial statements.