

COMPANY NUMBER: 06329047
CHARITY NUMBER: 1125312

CALICO ENTERPRISE LIMITED

Report and Financial Statements

Year ended 31 March 2018

DRAFT

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Trustees, Executive Officers, Advisors and Bankers

Board

Chair	Collette King	(resigned 8 January 2018)
Vice Chair	Stephen Aggett	(resigned 5 September 2017)

Other Trustees

Vina Mistry	(resigned 31 March 2018)
Georgina Nolan	
Matthew Callcott	(resigned 31 March 2018)
Shameem-Ara Khan	(resigned 31 March 2018)
Sarah Parr	(appointed 13 March 2017 and resigned 31 March 2018)
Martin King	(appointed 13 March 2017 and resigned 31 March 2018)
Karen Ainsworth	(appointed 1 April 2018)
Anne Coates	(appointed 1 April 2018)
Graham N Elliott	(appointed 1 April 2018)
Andrew Henderson	(appointed 1 April 2018)
Richard Jones	(appointed 1 April 2018)
Mushtaq Khan	(appointed 1 April 2018)
Sharon Livesey	(appointed 1 April 2018)
Lynn McCracken	(appointed 1 April 2018)
Michelle Pilling	(appointed 1 April 2018)
Kelly Shaw	(appointed 1 April 2018)

Executive Officers

Managing Director	Phil Jones	(appointed 1 April 2017)
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Company Secretary

Anthony Duerden	(appointed 31 March 2017 and resigned 8 January 2018)
Stephen Aggett	(appointed 8 January 2018)

Registered Office

Centenary Court
Croft Street
Burnley
BB11 2ED

Registered Number

06329047

Charity Number

1125312

External Auditor

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

Solicitor

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

Bankers

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

Report of the Trustees

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

Principle activities

Calico Enterprise Limited was incorporated as a not profit, charitable company limited by guarantee to assist in the delivery of a range of care and worklessness related services.

Objectives and Activities

Incorporated as a charitable company limited by guarantee, Calico Enterprise Limited was established on 31 July 2007 with the following objectives:

1. To relieve the charitable need of people with disabilities, ill health or in necessitous circumstances by the provision of support services to enable them to live in the community.
2. The advancement of education, training and the relief of unemployment of people who are unemployed, low paid, low skilled or have no skills.

Registration with the Charities Commission in England and Wales was confirmed on 1 August 2008.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Company undertakes and manages its activities in line with the above objectives through the provision of support contracts and work initiatives. The Trustees receive regular updates on performance and feel that the objectives have been achieved as set out in the next section.

Achievements and Performance

Support Contracts

Our current support services to help vulnerable people achieve and maintain independence are delivered through our Floating Support Service, and include:

- Bury Floating Support Families Service
- Bury Rough Sleepers Service
- Syrian Refugee Programme
- BeWell Personal Health Budgets Pilot

And also:

- Lancaster Accommodation Finding Service
- Chorley Accommodation Finding Service
- Fylde Complex Needs Floating Support Service
- Mental Health Support Worker Service
- Pennine Reconnect
- Supported housing services

Bury Floating Support Families Service

This service commenced on 11 January 2010 under a 3 year contract for Bury Metropolitan Borough Council. Three employees are engaged in this activity. This contract has been varied and had income reduced but has also been successfully retained. This contract has now been extended until September 2018 at which point it will be retendered.

Bury Rough Sleepers Service

A new contract was awarded by Bury local authority in June 2013 until 2015. This operates an innovative and replicable approach to achieving the Governments 'no second night' agenda. While achieving a relatively small contract value our approach produces significant outcomes for beneficiaries with the potential to expand the model elsewhere. This contract has now been extended to September 2018 at which point it will be retendered.

Syrian Refugee Programme

In 2016 we began delivering contracts to Pendle BC to resettle Syrian refugee families into our communities. This role has extended to Burnley, Rossendale, and Hyndburn significantly increasing our scale of operation and the support we can provide.

BeWell Personal Health Budgets (Pilot)

We are part way through delivering a pilot programme that champions person centred care for individuals with complex health related needs, or mental health issues. Through our partnership with NHS England and the East Lancashire CCG we support individuals with care planning and the procurement of necessary services whilst ensuring personalisation is achieved.

Report of the Trustees (continued)

Additional Contracts

These are:

- Chorley Accommodation Finding Service. This is a service commissioned by Chorley Borough Council for one year commencing in September 2015. This service is to enable single homeless people to access accommodation predominately within the Private Rented Sector – bond scheme attached. The was extended for an additional year until September 2017.
- Fylde Complex Needs Floating Support Service. This is a project working with non-priority single homeless clients with complex needs access, secure and sustain a tenancy.
- Mental Health Support Worker Service. This is a service commissioned by East Lancashire CCG and was a pilot until September 2015, it was then extended several times and now runs until 31 March 2018. This service recognised the need for Mental Health Clinical leads to address social barriers to treatment and support for psychosocial interventions to be effective. The service therefore deals with housing, finance and similar social issues related to mental health presentations.
- Pennine Reconnect. This service is delivered on behalf of NHS England. The contract was for an 8 month period until October 2015. Funding enabled us to continue to deliver until 31 March 2016. This is a supported accommodation service for offenders with substance misuse. Following successful delivery of the service, this contract has now been extended until March 2018.
- Syrian Refugee Programme. This service is delivered on behalf of Pendle Borough Council. The contract is for an initial 12 month period until September 2017. Funding has now been extended until September 2018. The service provides resettlement for refugees from Syria providing the support required to enable them to settle in the United Kingdom.
- Lancaster Accommodation Finding Service. This service is to enable single homeless people to access accommodation predominately within the Private Rented Sector.
- Supported housing services. This service delivers small units of generic supported accommodation for people moving on from homelessness services.

While relatively short term, each of these additional services will help Calico Enterprise to develop an evidence base of successful outcomes for Charitable recipients and support the likelihood of securing further contracts with these client groups in the future.

Work Stream Initiatives

These are currently undertaken by: Calico Interiors; Clean Team; Constructing the Future; Careers Service; Bean Good Catering, Calico Assure, Furniture Matters and Afta Thought.

Calico Interiors

This work stream provides a painting and decorating service to all group companies, as well as other contractors and registered providers. It is a self-financing apprentice-led social enterprise providing work experience, skills and development to apprentices who carry out the work overseen and trained by supervisors. The prime purpose of the enterprise is to enable apprenticeships to be completed and for individuals to exit to sustainable employment.

Clean Team

This is an interim labour market social enterprise providing work experience and the opportunity for individuals to gain formal qualifications. The focus of recruitment is long term unemployed with a particular emphasis on ex-offenders or individuals at risk of offending. It provides clearance and cleaning services predominately to Calico Homes' empty properties, is self-financing and is looking to expand across the North West.

Constructing the Future (“CtF”)

CtF is a shared apprenticeship initiative and successfully creates full time apprenticeships through linking together employment on short term development contracts and now operates across the whole of the North West. Constructing the Future transferred into Calico Enterprise from 1 April 2014 having previously been an external business operation. Calico Enterprise now employs the apprentices directly and invoices their costs to customers. The programme is supported by CITB Construction Skills, the construction industry's training and skills development body. The service has, in the period, increased its scope to provide support services to local authorities whose objective is to increase the number of apprentices within their locality.

Report of the Trustees (continued)

Careers Service

We were awarded a contract by Connexions Partnership to provide a National Careers Advice and Guidance to adults. This contract commenced 1 April 2012 for one year. The contract was extended to 31 March 2014, and then to 30 September 2014 at which point the contract with the new Prime Contractor was not renewed. The service went on to deliver Traineeships across the Calico Group, within our supply chain, and to businesses in Lancashire, Blackpool, and Greater Manchester. Funding for the delivery of these services is received from the Skills Funding Agency through sub-contracting arrangements with Nelson & Colne and Preston Colleges. Traineeship contracts concluded in March 2017. The service now focuses on delivering support to community learning programmes funded through Lancashire Adult Learning (LAL), Blackpool Adult Learning (BAL), Department of Work and Pensions, and Big Lottery Funding. The service also supports school leavers and Year 11 students with work advice and guidance with funding provided through the European Social Investment Fund (ESIF).

Furniture Matters

This work stream joined Calico Enterprise on 1 June 2014. The service provides reuse, recycling and training social enterprise activities. Based in Morecambe, Burnley, and Blackpool, Furniture Matters extensively refurbish unwanted white goods, computers, cycles and other household goods and gives them out at low cost to local people in need. Furniture Matters also provides a range of volunteering and accredited training opportunities for people in the local area who are out of work, want to develop new skills, or want to gain vital work experience. We will seek to bring experience and the value of Furniture Matters programmes and integrate this with our existing services to increase social value outcomes.

Afta Thought

This work stream joined Calico Enterprise on 29 March 2016. The service provides training services using acting and drama to bring to life challenging subject matter. The work stream delivers training services to local authorities, healthcare services, housing associations and other charitable bodies as well as a number of private sector businesses. Afta Thought employs a small core team of professionals and utilises a network of associate actors.

Catering

We have three locations in Burnley, Nelson and Oldham. Our Oldham location closed in July 2017. The Bean Good Coffee Shops are run with a social conscience and benefit from the support of local businesses that donate ingredients, and is staffed by volunteers in the local community. The service also provides a Meals on Wheels service, providing meals on wheels whilst promoting healthy living and reducing social isolation. We also offer a range of buffet options for corporate events.

Assure

This service provides an emergency alarm service to help you live safely, securely and independently in your own home, whilst giving your family and carers the reassurance that help is at hand should you need it.

Best Companies

In February 2018, Calico became the 36th (2017: 18th) Best Company to work for in the Sunday Times Top 100 'Best Companies to Work For' awards. The survey included staff from all companies within the Calico Group. It was an excellent achievement for the Group and demonstrates our continuing success as an employer of choice. This is now the 10th consecutive year Calico have been placed in the top 100 companies to work for.

Staff Performance

We are able to attract a wide range of staff from different backgrounds. The diversity of our employees is 52% male, 48% female, 10% who self-identify as disabled and 9% from a BME background. The latter 2 measures are largely reflective of the communities we serve.

Financial Review

Each area of activity is responsible for meeting its direct costs and making a contribution to central costs.

Priorities and targets for 2018 – 2019

Support Contracts

- To successfully conclude our Floating Support contracts where project closure is required ensuring efficiency in service delivery and positive reputational outcomes.
- To establish a new offer around our homelessness services building new partnerships leading to growth.
- To develop a growth plan which matches opportunities for new areas which enhance our overall offer, with relevant influence and resource.
- To continue to develop links with the Health Sector and identify opportunities to redesign, adjust or provide new services which support this agenda.
- Consider opportunities to develop into the 'care' provider field.

Report of the Trustees (continued)

Work Initiatives

- To grow Constructing the Future as the primary route for apprenticeships across the North West.
- To extend the shared apprentice model into other sectors.
- To actively seek external funding and partners to support the continued growth and development of the Skills and Employment portfolio.
- To explore the potential for partnership with Calico's Building Company – Ring Stones - which will support Skills and employability objectives.
- To diversify funding stream reliance and explore partnership opportunities with college and training service providers around direct delivery models.

Other

- To further integrate our existing service operations and promoting the added value created to commissioners (e.g. between Support, Worklessness and Volunteer services).

We will continue to develop and monitor Key Performance Indicators which demonstrate the quality of services (customer satisfaction being a key part) and the added value that they give to further build on our reputation as a quality provider of services.

Structure, Governance and Management

Structure

Calico Enterprise Limited is a registered charitable company limited by guarantee. The Articles of Association are such that the Company is a subsidiary of Syncora Limited, a company limited by guarantee (registered number 11171831). The registered office is Centenary Court, Croft Street, Burnley, BB11 2ED.

Group Structure

A review of the Group's company and governance structures has taken place over the past year to ensure they can best support our purpose by ensuring there is adequate leadership capacity and that the Group continues to grow and develop.

A number of options relating to changes in structure of the Group were considered by all Boards. It has been agreed to establish Syncora Limited (registered number 11171831) a company limited by guarantee. Syncora has a common board for each of its subsidiaries which are; SafeNet, Acorn and Calico Enterprise. This holding company will sit between the legal entities and the Calico Group Board. This new arrangement will enhance continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers.

NHF Code of Governance

As a Group we have chosen to adopt the NHF Code of Governance as an appropriate set of governance principles.

The Code deals with our Board, the way it operates, our constitution, the role of chair, the chief executive, equalities and probity, in fact everything which you would expect to see in a well-run Board and organisation. Each year, we review whether we fully comply with this Code - where we do not, we agree an action plan and do what is necessary to comply with the Code.

The Board certifies that the Company is pleased to report full compliance with this Code where relevant for the year ended 31 March 2018 following an annual review that took place in March 2018.

Remuneration policy

The Group Board is responsible for setting the remuneration policy, and in doing so pays close attention to remuneration levels in the sector in determining the remuneration packages of the senior officers. Basic salaries are set having regard to each senior officers responsibilities and pay levels for comparable positions.

Appointment of Trustees

Syncora may by ordinary resolution appoint a person who has been approved by The Calico Group Limited.

The minimum number of Trustees per the Articles of Association is 3 and there is no maximum number.

Induction, training and development of Trustees

Upon appointment new Trustees receive the following:

- A copy of the Statutory Information of the Incorporated Company;
- A copy of the most recent Annual Report and Accounts;
- Access to the Policy and Procedures manual;
- A copy of the Charity Commissioners Guide to the responsibilities of a Charity Trustee;
- Copies of the previous minutes of Trustee Meetings.

Report of the Trustees (continued)

Induction, training and development of Trustees (continued)

A programme has been established to continuously develop professional and effective boards of trustees throughout the Calico Group so that they can manage business successfully. The main objectives of the programme are to:

- Strengthen the role of the boards.
- Equip Trustees to make considered decisions and address challenging problems.
- Ensure boards work within legal frameworks and comply with regulatory standards.
- Establish boards as leaders with the vision to determine strategic direction.

Organisation

The Charity is headed by a dedicated Managing Director. The activities of the charity are then divided into three main areas covering the seven business streams: Health, Care and Support; Skills and Education, and Social Enterprise.

The Managing Director and each of these areas are provided with support and guidance from the parent body, The Calico Group Limited.

Related Parties

Calico Enterprise Limited is a subsidiary of The Calico Group Limited. Office accommodation is shared with Calico Homes Limited whose employees provide services, e.g. finance, HR, IT to the employees of Calico Enterprise Limited. An arm's length charge is made for these services.

Risk Management

Risks are considered an integral part of all the decisions made by the trustees and as such every paper submitted to the trustees has information pertaining to risk and how the risk is to be managed.

The trustees have undertaken a review of the major strategic risks faced by the charity and produced a risk map which is reviewed regularly to keep up to date with any changes that affect the charity.

The general administrative systems follow the processes and procedures adopted by Calico Homes Limited who provide those services to the Company. Utilising the above approach the Company has identified the following major risks to the successful achievement of its objectives:-

Key risk element	Status	Impact on strategic objectives
Staff (leadership, attraction, retention, morale)	Retention and recruitment of quality staff and managers is key to the successful delivery of our business plans. Our people strategy looks to develop staff to reach their full potential and incorporates succession planning. All managers are trained to coach staff, encourage development through staff reviews and identify talent. During 2017, Calico was the 36th best company to work for in the Sunday Times Top 100 and has maintained the Investors in People Gold Standard which demonstrates high morale and an excellent company to work for, which aids retention of staff.	These risks impact across all our strategic objectives as without the right people performing well and delivering the services to an appropriate or better standard than expected, we will not be able to grow, retain business and enhance our reputation.
Contract management and retention	Need to retain (where possible) existing contracts and seek diversification.	
Service quality	Service delivery of Supporting People contracts is measured by the Quality Assessment Framework and all meet the levels required.	
Partnerships and reputation	We continue to meet regularly with service commissioners to ensure that the delivery of our contracts is at a consistently high level.	
Financial risks	The level of unrestricted funds in reserve is to enable the charity to cope with unplanned events. Annual budget produced and monitored monthly through management accounts by Executive and reported to Board.	

Investment Powers and Policy

Long term significant reserves are not envisaged. Surplus monies are invested in high interest bearing deposit accounts until required for use by the charity.

Report of the Trustees (continued)

Reserves Policy

The objective of having unrestricted funds in reserve is to enable the charity to cope with unplanned events. Very often, the effects of the event can be managed in the long-term, but the charity needs reserves in the meantime. There is no rule on how large reserves should be; this will depend on what other action the charity is taking to mitigate the effects of external threats, as this will affect the level of reserves required.

The directors monitor and review levels of reserves annually, in line with the guidance issued by the Charity Commission.

Small company provisions

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

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

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

Auditor

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

Approved by the trustees and signed on their behalf by:-

Stephen Aggett

Company Secretary

Date: 17 September 2018

For the year ended 31 March 2018

Independent Auditor's Report to the members of Calico Enterprise Limited

Opinion

We have audited the financial statements of Calico Enterprise Limited "the charitable company" for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out the accounting policies note, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of The Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of Calico Enterprise Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of The Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

Date: 17 September 2018

Statement of Financial Activities

For the year ended 31 March 2018

	Note	Unrestricted Funds 2018 £'000	Unrestricted Funds 2017 £'000
Income			
Donations and Legacies	2	-	-
Income from Investments	3	-	4
		<hr/>	<hr/>
		-	4
Income from Charitable activities	4	3,223	4,466
Total Income		<hr/> 3,223 <hr/>	<hr/> 4,470 <hr/>
Expenditure			
Expenditure on Charitable activities	5	3,536	4,689
Total Expenditure		<hr/> 3,536 <hr/>	<hr/> 4,689 <hr/>
Net Expenditure for the year		(313)	(219)
Net movement in funds		<hr/> (313) <hr/>	<hr/> (219) <hr/>
Reconciliation of Funds			
Funds brought forward		778	997
Funds Carried Forward		<hr/> 465 <hr/>	<hr/> 778 <hr/>

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

The Statement of Financial Activities includes all gains and losses in the year.

The notes on pages 12 to 21 form part of the accounts.

Statement of Financial Position At 31 March 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible fixed assets	10	184	184
Intangible fixed assets	11	129	146
Total Fixed Assets		313	330
Current assets			
Stock		12	3
Debtors	12	473	700
Cash and cash equivalents		119	353
		604	1,056
Creditors: amounts falling due within one year	13	(403)	(552)
Net current assets		201	504
Total assets less current liabilities		514	834
Creditors: amounts falling due after one year	14	(49)	(56)
Net assets		465	778
Unrestricted funds			
General unrestricted funds		465	778
Total unrestricted funds	15/16	465	778

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 12 to 21 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 17 September 2018.

Signed on their behalf by

Stephen Aggett
Company Secretary
Date: 17 September 2018
For the year ended 31 March 2018

Notes to the Financial Statements

Calico Enterprise Limited is registered with the Charities Commission in England and Wales and is limited by guarantee. The company's principal activity is the delivery of a range of care and worklessness related services. The registered office is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

1. Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006, and are presented in sterling £'000 for the year ended 31 March 2018.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

FRS 102 disclosure exemptions

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees are of the opinion that the Company has adequate resources and that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

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

Other key sources of estimation and assumptions:

- a) **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. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b) **Goodwill and intangible assets.** The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Where, in exceptional circumstances, the useful life of goodwill cannot be determined, the life will not exceed 10 years.

Income

Income and how it is recognised is stated below.

Supporting People income for the provision of floating support is recognised in accordance with the Supporting People contract. Income from Lancashire County Council for the Help Direct service is recognised in accordance with the contract with Lancashire County Council. Other income is recognised at the point of delivery.

All income is stated exclusive of VAT.

Investment income is recognised on a receivable basis.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis.

Some central costs are allocated directly and the remainder are apportioned to all work streams based on the turnover of the work stream.

Charitable activities include expenditure associated with the provision of Floating Support, Help Direct, Calico Interiors, Clean Team, Constructing the Future, National Careers Service, Calico Creative and Furniture Matters include both the direct costs and support costs relating to these activities.

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Pensions

The Company participates in the Social Housing Pension Scheme ("SHPS"); a defined benefit career average revalued earnings final salary pension scheme. The assets of the scheme are invested and managed independently of the finances of the Company. The Company also participates in a defined contribution scheme with the Social Housing Pension Scheme ("SHPS").

In relation to the scheme it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers because it is a multi-employer scheme. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Stock

All stock is recognised at the lower of cost and net realisable value. Stock represents white goods and paint supplies.

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation less any provision for impairment. Assets with a cost of over £500 are capitalised.

Depreciation on fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Computer hardware	5-20% on a straight line basis
Fixtures and fittings	33% on a straight line basis

The useful economic lives of all tangible fixed assets are reviewed annually.

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 company 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.

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:

Software development costs	20 – 33%
----------------------------	----------

Financial Instruments

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

Restricted funds

Restricted funds are those funds which are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are those funds which are reserves allocated to projects or expenditure not yet incurred.

2. Donations and Legacies

	2018 £'000	2017 £'000
Donations	-	-
	<u>-</u>	<u>-</u>

3. Income from Investments

	2018 £'000	2017 £'000
Bank interest receivable	-	1
Other interest receivable	-	3
	<u>-</u>	<u>4</u>

4. Income from Charitable activities

	2018 £'000	2017 £'000
Support contracts	577	1,892
Work initiatives	2,640	2,517
Overheads	6	57
	<u>3,223</u>	<u>4,466</u>

5. Analysis of Charitable expenditure

	Support contracts £'000	Work initiatives £'000	2018 Total £'000	2017 Total £'000
Direct costs				
Staff costs	357	1,572	1,929	2,881
Other direct costs	96	975	1,071	1,355
Apportioned central costs				
Governance costs	144	389	533	392
	<u>-</u>	<u>3</u>	<u>3</u>	<u>4</u>
	<u>597</u>	<u>2,939</u>	<u>3,536</u>	<u>4,632</u>
Overhead – Staff Costs			-	30
Overhead – Direct Costs			-	27
			<u>-</u>	<u>57</u>
			<u>3,536</u>	<u>4,689</u>

Apportioned central costs are support costs which have been apportioned to all work streams based on the turnover of the work stream in note 4.

Notes to the Financial Statements (continued)

6. Net income / (expenditure)

	2018	2017
	£'000	£'000
This is after charging:-		
Depreciation of owned assets (Note 10)	12	21
Loss on disposal of owned assets (Note 10)	-	23
Amortisation of intangible assets (Note 11)	36	32
Audit fees (Note 5)	<u>3</u>	<u>2</u>

7. Employees

	2018	2017
	£'000	£'000
Staff costs consist of:		
Salaries and wages	1,900	2,736
Social security costs	129	178
Other pension costs	<u>45</u>	<u>80</u>
	<u>2,074</u>	<u>2,994</u>

The average number of employees during the year, analysed by function was:

	2018	2017
	Number	Number
Support contracts	22	68
Work initiatives	112	108
Overheads	<u>3</u>	<u>2</u>
	<u>137</u>	<u>178</u>
Full time equivalents (36.25 – 40 hours/week)	<u>129</u>	<u>157</u>

Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows.

Deficit contributions

Tier 1	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1 st April)
Tier 2	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1 st April)
Tier 3	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 st April)
Tier 4	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 st April)

Notes to the Financial Statements (continued)

7. Employees (continued)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	2018 £'000	2017 £'000	2016 £'000
Present value of provision	55	62	64

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2018 £'000	2017 £'000
Provision at start of period	62	64
Unwinding of the discount factor (interest expense)	-	2
Deficit contribution paid	(6)	(6)
Remeasurements - impact of any change in assumptions	(1)	2
Provision at end of period	55	62
<u>SHPS Pension liability</u>		
Amounts due within one year (note 13)	6	6
Amounts due after one year (note 14)	49	56
	55	62

INCOME AND EXPENDITURE IMPACT

	£'000	£'000
Interest expense	-	2
Re-measurements – impact of any change in assumptions	(1)	2
Re-measurements – amendments to the contribution schedule	-	-

ASSUMPTIONS

	% per annum	% per annum	% per annum
Rate of discount	1.72	1.33	2.06

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Notes to the Financial Statements (continued)

7. Employees (continued)

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Year 1	6	6	6
Year 2	6	6	6
Year 3	7	6	6
Year 4	7	7	6
Year 5	7	7	7
Year 6	7	7	7
Year 7	7	7	7
Year 8	8	7	7
Year 9	4	8	7
Year 10	-	4	8
Year 11	-	-	4

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the statement of comprehensive income ie. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

8. Board members and executive officers

	2018 £'000	2017 £'000
The aggregate emoluments paid to or receivable by trustees	-	-
The aggregate emoluments paid to or receivable by executive officers	103	87
The emoluments paid to the highest paid officer excluding pension contributions	103	82
Pension cost for executive officers	7	5
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers	(37)	(28)
Total key management personnel remuneration	103	87

No expenses were paid to trustees in 2018 (2017: £354).

The Managing Director is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contribution to an individual pension arrangement for the Managing Director.

Apart from the Managing Director no senior officer received emoluments (basic salary, benefits in kind and employers pension contributions) above £60,000.

No remuneration is received by Sarah Parr or Martin King in relation to their work on the board of Calico Enterprise Limited. They do however receive a remuneration for their roles on the board of 'The Calico Group' that of which is disclosed in the respective statutory accounts as at 31 March 2018.

9. Corporation Tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1998 at section 252 of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

Notes to the Financial Statements (continued)

10. Property, plant and equipment

	Vehicles £'000	Property £'000	Computer Hardware £'000	Fixtures & Fittings £'000	Total £'000
Cost					
At 1 April 2017	24	210	96	36	366
Additions	12	-	-	-	12
Disposals	-	-	(48)	(33)	(81)
At 31 March 2018	<u>36</u>	<u>210</u>	<u>48</u>	<u>3</u>	<u>297</u>
Depreciation					
At 1 April 2017	23	39	86	34	182
Charge in year	-	2	9	1	12
Disposals	-	-	(48)	(33)	(81)
At 31 March 2018	<u>23</u>	<u>41</u>	<u>47</u>	<u>2</u>	<u>113</u>
Net book value					
At 31 March 2018	<u>13</u>	<u>169</u>	<u>1</u>	<u>1</u>	<u>184</u>
At 31 March 2017	<u>1</u>	<u>171</u>	<u>10</u>	<u>2</u>	<u>184</u>

11. Intangible Fixed Assets

	Computer Software £'000	Goodwill £'000	Total £'000
Cost			
At 1 April 2017	18	160	178
Additions	22	-	22
Disposals	(3)	-	(3)
At 31 March 2018	<u>37</u>	<u>160</u>	<u>197</u>
Amortisation			
At 1 April 2017	-	32	32
Charge in year	4	32	36
At 31 March 2018	<u>4</u>	<u>64</u>	<u>68</u>
Net book value			
At 31 March 2018	<u>33</u>	<u>96</u>	<u>129</u>
At 31 March 2017	<u>18</u>	<u>128</u>	<u>146</u>

The company purchased "Afta Thought" in March 2016 for £300,000. Deemed net assets on acquisition were £140,000 and hence goodwill £160,000 which is being amortised over five years.

Notes to the Financial Statements (continued)

12. Debtors

	2018	2017
	£'000	£'000
Trade debtors	398	456
Prepayments and accrued income	11	36
Amounts owed from group undertakings	64	208
	<u>473</u>	<u>700</u>
	<u><u>473</u></u>	<u><u>700</u></u>

13. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Amounts owed to group undertakings	137	88
Accruals and deferred income	128	274
Pension liability (see Note 7)	6	6
Trade and Other creditors	132	184
	<u>403</u>	<u>552</u>
	<u><u>403</u></u>	<u><u>552</u></u>

14. Creditors: amounts falling due after one year

	2018	2017
	£'000	£'000
Pension liability (see Note 7)	49	56
	<u>49</u>	<u>56</u>
	<u><u>49</u></u>	<u><u>56</u></u>

15. Analysis of net assets between funds

	General Unrestricted Funds	General Unrestricted Funds
	2018	2017
	£'000	£'000
Tangible Fixed Assets (Note 10)	184	184
Intangible Fixed Assets (Note 11)	129	146
Net Current Assets	201	504
Long Term Liabilities (Note 14)	(49)	(56)
	<u>465</u>	<u>778</u>
	<u><u>465</u></u>	<u><u>778</u></u>

Notes to the Financial Statements (continued)

16. Movements in funds

	Total at 31 March 2017	Incoming Resources	Outgoing Resources	Total at 31 March 2018
	£'000	£'000	£'000	£'000
General Unrestricted Funds	<u>778</u>	<u>3,223</u>	<u>(3,536)</u>	<u>465</u>

17. Parent undertaking

The Company is a subsidiary of Syncora Limited, a not for profit, non-charitable company limited by guarantee, registered in England and Wales.

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

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

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

No other accounts include the results of the charity.

18. Related party transactions

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

The Calico Group Limited ("Group"), the parent company
At 31 March 2018, the company owed to Group £1,000 (2017: £Nil).

Calico Homes Limited ("Homes"), a fellow subsidiary of Group
During the year, Enterprise supplied Homes with cleaning, painting and decorating, catering and apprentice management services amounting to £650,000 (2017: £496,000) and Homes recharged office costs totalling £136,000 (2017: £150,000).

At 31 March 2018, the company owed to Homes £133,000 (2017: Homes owed the company £37,000).

Acorn Recovery Projects ("Acorn"), a fellow subsidiary of Group
During the year, Enterprise supplied Acorn with catering, cleaning, painting and decorating services amounting to £1,000 (2017: £48,000) and Acorn recharged training costs amounting to £Nil (2017: £4,000).

At 31 March 2018, Acorn owed the company £16,000 (2017: £1,000).

Ring Stones Maintenance and Construction LLP ("Ringstones"), a fellow subsidiary of Group
During the year, Enterprise supplied Ringstones with catering, cleaning, painting and decorating services amounting to £56,000 (2017: £Nil).

At 31 March 2018, Ring Stones owed the company £Nil (2017: £Nil).

Other fellow subsidiaries ("Others") of Group
During the year, Enterprise supplied Others with catering, cleaning, painting and decorating services amounting to £17,000 (2017: £15,000).

At 31 March 2018, Others owed the company £44,000 (2017: £27,000).

Notes to the Financial Statements (continued)

19. Financial commitments

Operating leases

The payments which the company is committed to make under operating leases are as follows:

	2018	2017
	£'000	£'000
Motor vehicle leases expiring:		
• Less than one year	24	14
• Two to five years	39	-
Land and Buildings, leases expiring:		
• Less than one year	79	78
• Two to five years	42	48
Equipment:		
• Less than one year	5	-
• Two to five years	13	-
	<u>202</u>	<u>140</u>