

**COMPANY NUMBER: 06329047**  
**CHARITY NUMBER: 1125312**

# **CALICO ENTERPRISE LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2020**

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## Directors, Executive Officers, Advisors and Bankers

<b>Directors</b>	Richard Jones CBE (Chair) Karen Ainsworth (Vice chair)  Anne Coates Graham N Elliott CBE Andrew Henderson Mushtaq Khan Sharon Livesey Lynn McCracken Georgina Nolan (resigned 6 July 2020) Michelle Pilling Kelly Shaw
<b>Company Secretary</b>	Stephen Aggett
<b>Registered Office</b>	Centenary Court Croft Street Burnley BB11 2ED
<b>Registered Number</b>	06329047
<b>Charity Number</b>	1125312
<b>External Auditor</b>	Beever and Struthers Statutory Auditor St George's House 215-219 Chester Road Manchester M15 4JE
<b>Solicitor</b>	Forbes Solicitors Rutherford House 4 Wellington Street St. Johns Blackburn BB1 8DD
<b>Bankers</b>	National Westminster Bank 6th Floor, 1 Spinningfields Square Manchester M3 3AP

## Report of the Directors

The Directors are pleased to present their report along with the financial statements for the year ended 31 March 2020, which are also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The Directors are also the company trustees for charity purposes.

### Principal activities

Calico Enterprise Limited was incorporated as a not for profit, charitable company limited by guarantee to assist in the delivery of a range of support 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 Directors 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 directors receive regular updates on performance and feel that the objectives have been achieved as set out in the next section.

### Achievements and Performance

Our purpose is to be a catalyst for change in people's lives. We create opportunities to help people make the positive changes they seek, contributing to the Calico Groups purpose of providing quality services that make a real difference to peoples' lives. This is achieved through the delivery of social enterprise, skills and support contracts. Our achievements are summarised in the sections below.

### Social Enterprise

The company delivers a number of social enterprises which are work streams that operate as businesses, whilst still targeting the delivery of social impact.

#### Calico Interiors

This work stream provides a property services offer 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. The work stream employs 6 former apprentices as management and supervisory staff, and between six and nine apprentices. Each year we support our second and third year apprentices to find employment in the construction sector resulting in us providing a minimum of three new apprenticeships each year. The service also enables volunteering and work experience opportunities for individuals seeking to enter the world of work.

#### Clean Team

This is an intermediate labour market social enterprise providing work experience and the opportunity for individuals to gain valuable experience and move forward with more sustainable employment. In the last year we have supported two people into new roles. The focus of recruitment is long term unemployed with a particular emphasis on ex-offenders (ROTL) or individuals at risk of offending. It provides property clearance and cleaning services predominately to Calico Homes' empty properties, is self-financing and is looking to expand across the North West.

#### Furniture Matters

The service provides reuse, recycling and training social enterprise activities. Based in Morecambe, and Blackpool, Furniture Matters extensively refurbish unwanted white goods, computers, and other household goods and gives them out at low cost to local people in need. In the last 12 months the work stream has collected 1,142 tonnes of furniture recycling or reusing 58%, diverting these items from landfill and providing quality items for 614 families with low incomes. 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. Last year we supported 52 volunteers across our sites progressing three into employment within the work stream. 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.

## Report of the Directors (continued)

### Assure

This provides services around technology enabled care including an emergency alarm service to help people live safely, securely and independently in their own home, whilst giving family and carers the reassurance that help is at hand should it be needed.

### **Skills Contracts**

The company provides a number of services that promote skill, and personal development.

### 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 2014 having previously been an external business operation. Calico Enterprise now employs between –30-50 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. In the last 12 months 14 of our apprentices have qualified as tradespersons. Our success rate, individuals into long term employment, is consistently over 75%. 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.

### Afta Thought

The service provides training services using acting and drama to bring to life challenging subject matter. The work stream has delivered practice changing training services to 8,000 individuals that work in 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.

### Careers service

The service delivers pre-employment careers support and guidance to individuals moving closer to the workplace, or opportunities for employment. Over the last 12 months we have delivered one-to-one support sessions to 235 individuals. Our programmes help people to improve self esteem, build confidence, and motivation. Our key partners include National Lottery Building Better Opportunities Changing Futures and Age of Opportunity programmes; Dept. of Work and Pensions, and the European Social Investment Fund (ESIF).

### Right Start

The service supports school aged children and in particular leavers with support around raising their aspirations. Last year we worked with 31 students of which 31 received an individual learning plan, and 31 took up the opportunity of work experience. The service provides guided learning, often in the classroom setting exploring issues and challenges that young people are confronted with, seeking to develop resilience and emotional intelligence to help prepare individuals for the world of work. We receive funding from the European Social Investment Fund (ESIF).

### **Support Contracts**

Calico Enterprise also provides a number of services that support vulnerable people to achieve and maintain independence.

### Bury Floating Support Service

This Floating Support Families service had been contracted by Bury Metropolitan Borough Council since 2010, it was re-tendered last year as a generic service providing support to over 300 people per year.

The staff team who have TUPE transferred from five providers now consists of 21 employees and will provide floating support and dispersed accommodation. To date the team have supported 364 clients, supported 46 people to move into new or more suitable accommodation and achieved 99% positive outcomes.

### Bury Rough Sleepers Service

This service operated an innovative and replicable approach to achieving the Governments 'no second night' agenda and has produced significant outcomes for beneficiaries. In November 2019, the service integrated back into the council provision and funding ceased.

### Syrian Resettlement Programme

The service provides resettlement for refugees from Syria on behalf of Pendle, Burnley, Rossendale and Hyndburn Borough Councils and provides the support required to enable the families to re-settle in the United Kingdom. The service supports the families to integrate into their local communities and assists with housing and benefit advice, accessing health services, enrolling in education and training opportunities and employability. The programme also supports families to engage with specialist legal services. To date the team have worked with 55 families across the four districts with all individuals of working age in training or employment. The service will be replaced from July 2020 with the Global Resettlement Scheme, Burnley, Hyndburn and Pendle will recommission Calico Enterprise to deliver the new scheme.

## Report of the Directors (continued)

### Gateway (Burnley)

The 'Gateway Burnley' opened in August 2018 and is a homeless service for people with complex needs and the first in the area. Residents were transferred from the Elizabeth Street former homeless service and referrals are now taken from wider Lancashire local authorities. The service is dual funded through Supporting People income and housing benefit. Over the last 12 months 77 people were supported. There have been 28 successful move on's. Along with Westgate, Gateway has now secured 2 further move on properties through Calico Homes. These are 2 furnished flats for residents of Gateway to move into, they can continue to receive light touch support from a key worker whilst getting used to living independently. This will also allow an individual to continue addressing issues such as rent arrears by payment plan that would generally be preventing them from securing a property. Gateway also secured funding via Burnley Borough Council and MHCLG to provide a Navigator role to work with street homeless and provide a pathway into accommodation.

### Be Well Personal Health Budgets

In 2019 we concluded a 12 month pilot programme working with NHS England and East Lancashire CCG to understand and establish the required infrastructure for the development and delivery of Personalised Care in Lancashire. This year we have delivered person centred care helping 112 individuals with acute and complex medical conditions, including mental health, to receive care in a more familiar setting, provided in a more personalised way.

### **Additional 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.

### Chorley Accommodation Finding Service

This is a service commissioned by Chorley Borough Council since 2015 to enable single homeless people to access accommodation predominately within the Private Rented Sector and to provide up to 6 hours of floating support to those in need of additional support when housed. The contract has been further extended until March 2021.

### Lancaster Accommodation Finding Service

This service is to enable single homeless people to access accommodation predominately within the Private Rented Sector. This service has been extended until March 2021.

### Supported housing services

This is the delivery of small units of generic supported accommodation for people moving on from homelessness services.

### East Lancashire Families

Commissioned by Lancashire County Council the service provides accommodation and support to families owed a statutory duty by local authorities in Hynburn, Burnley, Pendle and Rossendale. The service aims to address any barriers and identify support needs in relation to independent living skills to enable families to successfully move on to their own general needs tenancies.

### **Staff Performance**

We are able to attract a wide range of staff from different backgrounds. The diversity of our employees is 63% male, 37% female, 7.4% who self-identify as disabled and 11% from a BME background. The latter 2 measures are largely reflective of the communities we serve.

### **Priorities and targets for 2020 – 2021**

#### **Social enterprise and skills contracts**

- To be a responsible business that is accountable for our own improving financial performance and social sustainability whilst still delivering results and doing the right things.
- Focus on our leadership and management models to ensure that we are purposeful and effective creating a transparent culture where the balance of financial outcome and social impact is achieved.
- To establish a new approach to marketing and communication that demonstrates our offer enabling us to grow our service portfolio across the Northwest of England.
- To grow our Constructing the Future shared apprenticeship offer in construction and other sectors. To expand our social enterprise offer focusing on property and environmental services.
- Seek new partnerships across the Northwest of England that facilitate expansion of our service offer, helping us to manage some of the risks associated with current service delivery.
- To explore the potential for partnership with Calico's Building Company – Ring Stones - which will support Skills and employability objectives.

#### **Support Contracts**

- To ensure all new contracts are implemented and embedded with quality and focus and in line with the Calico Groups values.
- To establish and further develop our model and offer around Homelessness, further building our partnerships to maximise growth opportunities.

## Report of the Directors (continued)

- To work pro-actively with the Business Development and Strategic Growth team to fully understand the opportunities and direction of travel for our support services, therefore maximising our opportunities
- To continue to develop and nurture links and partnerships with the Health Sector, identifying opportunities to redesign, adjust or provide new services which support the wider external and internal Health agenda.
- Design and model our Care offer to further understand our opportunities to develop into the 'care' provider field.
- To continue to review and evaluate established contracts for viability and growth/expansion opportunities.
- To review and adapt our reporting mechanisms to further enable us to demonstrate the impact of our services telling the story of the difference we have made.

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

Syncora Limited (registered number 11171831) was established in 2018 as a holding company with a common board for each of its subsidiaries which are SafeNet Domestic Abuse and Support Services Ltd ("Safenet"), Acorn Recovery Projects Ltd ("Acorn") and Calico Enterprise Ltd ("Enterprise"). Syncora sits between the legal entities and the Calico Group Board. This arrangement was made to enhance continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers. The Calico Group is the ultimate parent of the Syncora Group of Companies.

#### Conflict Resolution Policy

The Board Members acknowledge that regardless of the number of Boards within the Group upon which they serve, each Group Member is a legal entity in its own right, with its own distinct Board. When taking decisions, the Board Members on each Board are under a duty to act in the best interests of each separate legal entity. The rules of each Group member include appropriate wording to deal with conflicts generally, and also state that merely sitting on the Board of another Group member will not give rise to a conflict. However, in the event that circumstances arise in which the Board Members are unable to independently fulfil their duties to each Group member on which they serve (a Conflict Situation) there is a written procedure which shall be adopted.

#### Governing Document

The Company is registered as a Charity (no. 1125312) with the Charity Commission.

#### 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 are compliant where relevant to the NHF code of Governance - where we are 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 compliance with this Code where relevant for the year ended 31 March 2020 following an annual review that took place in March 2020.

#### 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 Directors

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

The minimum number of directors per the Articles of Association is 3 and a maximum of 12.

#### Induction, training and development of Directors

Upon appointment new directors 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 director's;
- Copies of the previous minutes of director meetings.

## Report of the Directors (continued)

A programme has been established to continuously develop professional and effective boards of directors 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 directors 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.

### Plans for Future Periods

Over the last financial year the business has undertaken a structural review of its operations. They have focused on their business growth activities around areas where they understand they can make the biggest impact and difference, both socially and financially. The business has formally launched a new social enterprise in April 2019 known as BeWell. This social enterprise operates in the health and social care markets providing services around care planning to individuals, but crucially services are paid for by the NHS in bulk. They have been commissioned this year to deliver 200 care plans with reviews. They have also focused on ensuring that Interiors performs well, and seeking opportunities to sell new or additional services to partners. A further focus will be the minimisation of impact brought about through Furniture Matters. We have already undertaken some cost restructuring actions including releasing staff and closing retail shops that were not performing. Despite the current Covid-19 outbreak, there is no expectation or evidence in the forecasts or the financial performance of the year to date that would suggest the pandemic will have a significant impact on the financial position of the business.

### Future Funding

The business has identified opportunities with their skills and employability service to expand current and undertake new activity within the capacity of the resources we have existing. Since April 2019 the business has sustained activity with Selnet our finding partner in the National Lottery/ESIF co-financed Building Better Opportunity fund. We have performed well and have a good position should the lead partner require additional delivery in the current year. Through the businesses existing relationship with the Princes Trust, they have secured funding to deliver two pilot programmes in the current financial year and they have been asked to submit a proposal to deliver up to ten programmes in the next financial year. The business has established a new partnership with Active Lancashire and will form part of the More Positive Together Partnership in the next round of funding. This is due to commence in February 2020 and will last for 23 months. The business has begun work on a new partnership with Procure Plus that provides funding for activity where we are able to support individuals into employment. In the Care and Support sector of the business the business has secured a major contract in Bury which, although has had an impact on cash flow in the early part of the year, will even out over the course of the remainder of the financial year. The contract will perform well in the future. The business has also been working with partners in Central Lancashire to instigate the development of another Gateway project, similar in nature to the programme currently being delivered in Burnley that generates positive surplus.

### Organisation

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

### Related Parties

Calico Enterprise Limited is a subsidiary of Syncora Limited, which in turn 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.

### Principle Risks and Uncertainties

Regular reporting on control issues provides assurance to successive levels of management and to the Board. It is supplemented by regular reviews by internal audit who provide independent assurance to the Board. The arrangement for review includes a rigorous procedure which is monitored internally and ensures corrective action is taken in relation to any significant control issues. The business has implemented a programme of control risk self-assessment and is further embedding this at different levels of the organisation. This will continue to strengthen each business areas control arrangements.

Utilising this approach the Enterprise business has identified the following risks to the successful achievement of its objectives:

- **Contract Performance**
- **Financial Performance**
- **Robust Forecasting**
- **Income Management**
- **Group Cohesion**
- **Health and Safety**
- **Regulatory and legislative compliance**
- **Staff Retention**
- **Growth Capacity**
- **Socio-economic conditions**

## Report of the Directors (continued)

### Risk Management

As part of the Calico Group approach to risk management, Calico Enterprise has in place a risk map which is reviewed by the Syncora Board on a quarterly basis. The directors have undertaken a review of the major strategic risks faced by the charity and have put in place systems to mitigate Calico Enterprise's exposure to the major risks.

### 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.

### 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 a great deal on the nature of the charity's activities and the level of external risk perceived by the Directors. It will also depend on what other action the charity is taking to mitigate the effects of the external threats, as this will affect the level of reserves required.

The Syncora Reserves Policy states that we will aim to keep unrestricted reserves to cover at least two months of variable expenditure to cover costs that are not contract related where we may not have notice of changes. The current level of free reserves is -£163,000. This is a calculation of the unrestricted funds less the tangible fixed, Intangible assets and investments. We have not designated anything for essential future spending. Our targeted reserves level are £346,000. The company is committed to reduce the under provision over the next 4 years. This will take place through positive trading leading to the company holding the targeting unrestricted reserves.

The Directors will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission.

### Social Housing Pension Scheme ("SHPS")

The Company participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The latest actuarial valuation was as at 30 September 2019. The accounting policy in relation to SHPS is set out on page 17.

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' 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 Directors 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 Directors 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 Directors 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 Directors 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.

### Covid-19

Despite the current Covid-19 outbreak, there is no expectation or evidence in the forecasts or the financial performance of the year to date that would suggest the pandemic will have a significant impact on the financial position of the business.

The Syncora Group have been undertaking regular forecast updates in each of its entities to help mitigate unexpected risks. Although the long-term effects of the Pandemic are still largely uncertain, adding in this additional exercise allows the Board to identify any potential future changes to the business.

## Report of the Directors (continued)

### Going Concern

The business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors Report on pages 2-8. In addition, notes on pages 13 to 22 of the financial statements include the company's objectives, policies and processes.

At the time of signing the Financial Statements, COVID-19 has been declared a pandemic. The Calico Group Board is confident that Calico Enterprise remains a Going concern for the following reasons:

Following the lockdown announcement in March 2020 the Group Board instigated its Business Continuity arrangements, which meant that all services within Calico Enterprise Limited that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants at Gateway and within Floating Support, extra services required by councils to allow for government compliance and supplies provided by Furniture Matters to internal customers to enable business continuity for internal developments. Calico Enterprise Limited took advantage of the Furlough scheme offered by the government as the business felt the impact on Apprenticeships and Training sessions being paused. The furlough income significantly reduced the negative impact on the business, predominantly due to the reduction of income from these paused services.

Local Authority Grant income has been received by Calico Enterprise which has assisted the organisation when demonstrating their ability to maintain a positive cash position.

The lockdown restrictions started to be lifted in June 2020, since then we have started to remobilise the business including un-furloughing the apprentices back into their external positions, commencing work for Calico Group Ltd for repairs and voids and working with the education providers to re-establish courses and projects.

Stress testing of the business included scenarios for the areas that are likely to be most affected by the pandemic, the pausing of projects and increases in demand for vulnerable services. All of the scenarios tested demonstrate that the business has sufficient funds to cover potential increases in costs as a result of COVID-19.

The Calico Group Board confirms it has a reasonable expectation 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.

### Statement as to disclosure of information to auditors

The Directors 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 Directors 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

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

### Small company provisions

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

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

Stephen Aggett

**Company Secretary**

Date: 7<sup>th</sup> September 2020

For the year ended 31 March 2020

## 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 2020 which comprise the Statement of Financial Activities, 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 section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Directors (who are also the trustees 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 Directors' report, which includes the directors' report and the strategic report prepared for the purposes of company law 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 included within the Directors' report have been prepared in accordance with applicable legal requirements.

## Independent Auditor's Report to the members of Calico Enterprise Limited Cont'd...

### 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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 7-8, the Directors (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 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 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 Directors 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](http://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.

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

Date: 9 October 2020

**Statement of Financial Activities**  
 For the year ended 31 March 2020

	Note	Unrestricted Funds 2020 £'000	Unrestricted Funds 2019 £'000
Income from Donations	2	201	-
Income from Charitable activities	3	4,590	3,856
<b>Total Income</b>		<b>4,791</b>	<b>3,856</b>
<b>Expenditure</b>			
Expenditure on Charitable activities	4	4,571	4,210
<b>Total Expenditure</b>		<b>4,571</b>	<b>4,210</b>
<b>Net Expenditure for the year</b>		220	(354)
Initial recognition of multi-employer defined benefits scheme			(316)
Actuarial Gain/(Loss)	6	217	(54)
<b>Net movement in funds</b>		437	(724)
<b>Reconciliation of Funds</b>			
Funds brought forward		(259)	465
<b>Funds Carried Forward</b>		<b>178</b>	<b>(259)</b>

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 13 to 22 form part of the accounts.

## Statement of Financial Position

At 31 March 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible fixed assets	9	268	272
Intangible fixed assets	10	72	88
Total Fixed Assets		340	360
<b>Current assets</b>			
Stock		21	17
Debtors	11	620	751
Cash and cash equivalents		73	118
		714	886
<b>Creditors: amounts falling due within one year</b>	12	(663)	(1,057)
<b>Net current (liabilities)/assets</b>		51	(171)
<b>Total assets less current liabilities</b>		391	189
<b>Creditors: amounts falling due after one year</b>		-	-
<b>Provision for liabilities: Pension provision</b>	6	(213)	(448)
<b>Net (liabilities)/assets</b>		178	(259)
<b>Unrestricted funds</b>			
General unrestricted funds		178	(259)
<b>Total unrestricted funds</b>	13/14	178	(259)

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

The notes on pages 13 to 22 form part of these financial statements.

The financial statements were approved by the Directors and authorised for issue on 7th September 2020.

Signed on their behalf by

Stephen Aggett  
**Company Secretary**  
Date: 7<sup>th</sup> September 2020  
For the year ended 31 March 2020

## 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) (updated 1 January 2019) – (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 which is the functional currency of the entity.

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 directors have reviewed and considered the future projected cash flows for the next two years. The changes to the actuarial valuation will not need to be realised in the near future. Based on this information, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

At the time of signing the Financial Statements, COVID-19 has been declared a pandemic. The Group Board is confident that Calico Enterprise remains a Going concern for the following reasons:

Following the lockdown announcement in March 2020 the Group Board instigated its Business Continuity arrangements, which meant that all services within Calico Enterprise Limited that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants at Gateway and within Floating Support, extra services required by councils to allow for government compliance and supplies provided by Furniture Matters to internal customers to enable business continuity for internal developments. Calico Enterprise Limited took advantage of the Furlough scheme offered by the government as the business felt the impact on Apprenticeships and Training sessions being paused. The furlough income significantly reduced the negative impact on the business, predominantly due to the reduction of income from these paused services.

Local Authority Grant income has been received by Calico Enterprise which has assisted the organisation when demonstrating their ability to maintain a positive cash position.

The lockdown restrictions started to be lifted in June 2020, since then we have started to remobilise the business including un-furloughing the apprentices back into their external positions, commencing work for Calico Group Ltd for repairs and voids and working with the education providers to re-establish courses and projects.

Stress testing of the business included scenarios for the areas that are likely to be most affected by the pandemic, the pausing of projects and increases in demand for vulnerable services. All of the scenarios tested demonstrate that the business has sufficient funds to cover potential increases in costs as a result of COVID-19.

#### **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.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 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.

#### 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:

Motor vehicles	-	25% pa
Computer equipment	-	25% pa
Fixtures, fittings and equipment	-	20% pa
Leasehold improvements	-	20% pa
Leasehold property	-	Over 75 years
Freehold land	-	not depreciated

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.

## Notes to the Financial Statements (continued)

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.

## 2. Income from Donations

	2020 £'000	2019 £'000
Donations and similar incoming resources	201	-
	<u>201</u>	<u>-</u>

A donation totalling £200,000 (2019: Nil) was received from Rongstones during 2020

## 3. Income from Charitable activities

	2020 £'000	2019 £'000
Support contracts	2,029	1,138
Work initiatives	2,561	2,687
Other	-	31
	<u>4,590</u>	<u>3,856</u>

## 4. Analysis of Charitable expenditure

	Support contracts £'000	Work initiatives £'000	2020 Total £'000	2019 Total £'000
<b>Direct costs</b>				
Staff costs	1,072	1,534	2,606	2,352
Other direct costs	615	857	1,472	1,333
Apportioned central costs	214	267	481	522
Governance costs	-	12	12	3
	<u>1,901</u>	<u>2,670</u>	<u>4,571</u>	<u>4,210</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 2.

## Notes to the Financial Statements (continued)

### 5. Net income / (expenditure)

	2020	2019
	£'000	£'000
This is after charging:-		
Depreciation of owned assets (Note 8)	33	21
Amortisation of intangible assets (Note 9)	41	41
Auditors remuneration for audit services (Note 3)	<u>2</u>	<u>3</u>

### 6. Employees

	2020	2019
	£'000	£'000
Staff costs consist of:		
Salaries and wages	2,625	2,327
Social security costs	182	149
Other pension costs	149	85
Redundancy	<u>15</u>	<u>29</u>
	<u>2,971</u>	<u>2,590</u>

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

	2020	2019
	Number	Number
Support contracts	43	33
Work initiatives	97	123
Overheads	<u>5</u>	<u>4</u>
	<u>145</u>	<u>160</u>
Full time equivalents (36.25 – 40 hours/week)	<u>125</u>	<u>134</u>

### 6. Employees (continued)

#### Social Housing Pension Scheme

The Company participates in the Social Housing Pension Scheme ("SHPS"), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ("TPT"). The accounting policy in relation to SHPS is set out on page 13. As noted in the accounting policy, there has been a change in accounting in relation to SHPS.

The following adjustments have been made in relation to the change in accounting policy:

- Removal of the liability for the funding of the deficit funding agreement (reduction in creditors £28k; increase in Other Comprehensive Income £28k),
- Recognition of the net pension deficit (decrease in pension liability £217k; increase in Other Comprehensive Income £217k).

#### PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Fair value of plan assets	1,248	1,159
Present value of defined benefit obligation	1,461	1,607
Surplus (deficit) in plan	(213)	(448)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(213)	(448)
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

#### RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

31 March 2020

	(£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2020 (£000s)
Defined benefit obligation at start of period	1,607
Current service cost	14
Expenses	4
Interest expense	38
Member Contributions	4
Actuarial losses (gains) due to scheme experience	46
Actuarial losses (gains) due to changes in demographic assumptions	(14)
Actuarial losses (gains) due to changes in financial assumptions	(196)
Benefits paid and expenses	(42)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,461

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	31 March 2020 (£000s)
Fair value of plan assets at start of period	1,159
Interest income	28
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	53
Employer Contributions	46
Member Contributions	4
Benefits paid and expenses	(42)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,248

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £81,000.

#### DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOI)

	31 March 2020 (£000s)
Current service cost	14
Expenses	4
Net interest expense	10
Losses (gains) on business combinations	-

Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	28

## DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	53
Experience gains and losses arising on the plan liabilities - gain (loss)	(46)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	14
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	196
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	217
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	217

## ASSETS

	31 March 2020 (£000s)	31 March 2019 (£000s)
Global Equity	183	195
Absolute Return	65	100
Distressed Opportunities	24	21
Credit Relative Value	34	21
Alternative Risk Premia	87	67
Fund of Hedge Funds	1	5
Emerging Markets Debt	38	40
Risk Sharing	42	35
Insurance-Linked Securities	38	33
Property	28	26
Infrastructure	93	61
Private Debt	25	16
Opportunistic Illiquid Credit	30	-
Corporate Bond Fund	71	54
Long Lease Property	22	17
Secured Income	47	42
Over 15 Year Gilts	-	-
Liability Driven Investment	414	424
Net Current Assets	5	2
Total assets	1,248	1,159

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 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.35%	2.36%

Inflation (RPI)	2.55%	3.24%
Inflation (CPI)	1.55%	2.24%
Salary Growth	2.55%	3.24%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

## 7. Board Members and Key Management Personnel Remuneration

	2020 £'000	2019 £'000
The aggregate emoluments paid to or receivable by Directors	<u>42</u>	<u>41</u>
The aggregate emoluments paid to or receivable by Managing Director	<u>86</u>	<u>81</u>
The emoluments paid to the highest paid officer excluding pension contributions	<u>77</u>	<u>72</u>
Pension cost for company	<u>9</u>	<u>9</u>
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers	<u>-</u>	<u>-</u>
Total key management personnel remuneration	<u>86</u>	<u>81</u>

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.

### Directors' emoluments

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £42,000 in 2020 (2019: £41,000). The previous trustee's received no remuneration in 2019.

The Syncora Board receive an annual allowance. The Chair receives £6,000 and all other Board members £3,500.

## 8. 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)

### 9. Property, plant and equipment

	Vehicles £'000	Freehold Property £'000	Leasehold Property £'000	Computer Hardware £'000	Fixtures & Fittings £'000	Total £'000
<b>Cost</b>						
At 1 April 2019	36	70	140	69	91	406
Additions	13	-	-	-	16	29
Disposals	-	-	-	-	-	-
At 31 March 2020	<u>49</u>	<u>70</u>	<u>140</u>	<u>69</u>	<u>107</u>	<u>435</u>
<b>Depreciation</b>						
At 1 April 2019	26	39	4	51	14	134
Charge in year	3	1	1	5	23	33
Disposals	-	-	-	-	-	-
At 31 March 2020	<u>29</u>	<u>40</u>	<u>5</u>	<u>56</u>	<u>37</u>	<u>167</u>
<b>Net book value</b>						
<b>At 31 March 2020</b>	<u><b>20</b></u>	<u><b>30</b></u>	<u><b>135</b></u>	<u><b>13</b></u>	<u><b>70</b></u>	<u><b>268</b></u>
At 31 March 2019	<u>10</u>	<u>31</u>	<u>136</u>	<u>18</u>	<u>77</u>	<u>272</u>

### 10. Intangible Fixed Assets

	Computer Software £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 1 April 2019	37	160	197
Additions	25	-	25
Disposals	-	-	-
At 31 March 2020	<u>62</u>	<u>160</u>	<u>222</u>
<b>Amortisation</b>			
At 1 April 2019	13	96	109
Charge in year	9	32	41
At 31 March 2020	<u>22</u>	<u>128</u>	<u>150</u>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<u><b>40</b></u>	<u><b>32</b></u>	<u><b>72</b></u>
At 31 March 2019	<u>24</u>	<u>64</u>	<u>88</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)

### 11. Debtors

	2020 £'000	2019 £'000
Trade debtors	561	585
Prepayments and accrued income	34	43
Amounts owed from group undertakings	25	123
	<u>620</u>	<u>751</u>

### 12. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to group undertakings	351	704
Accruals	97	212
Deferred Income	39	-
Trade and Other creditors	176	141
	<u>663</u>	<u>1,057</u>

### 13. Analysis of net assets between funds

	General Unrestricted Funds 2020 £'000	General Unrestricted Funds 2019 £'000
Tangible Fixed Assets (Note 8)	268	272
Intangible Fixed Assets (Note 9)	72	88
Net Current Assets	51	(226)
Long Term Liabilities (Note 12)	-	-
Pension Liability (Note 5)	(213)	(393)
	<u>178</u>	<u>(259)</u>

### 14. Movements in funds

	Total at 31 March 2019 £'000	Incoming Resources £'000	Outgoing Resources £'000	Total at 31 March 2020 £'000
General Unrestricted Funds	<u>(259)</u>	<u>4,791</u>	<u>(4,354)</u>	<u>178</u>

## Notes to the Financial Statements (continued)

### 15. 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 Directors 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.

### 16. 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.

Calico Homes Limited make Purchase ledger and payroll payments on behalf of the Syncora Group and these amounts are then recharged back to the relevant entities.

**The Calico Group Limited ("Group")**, the ultimate parent company  
At 31 March 2020, the company owed to Group £nil (2019: £nil).

**Syncora Limited ("Syncora")**, the parent company of Enterprise.

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £42,000 in 2020 (2019: £41,000).

During the year, Syncora recharged overhead costs to Enterprise amounting to £14,000 (2019: £46,000)

At 31 March 2020, the company owed to Syncora £1,000 (2019: £45,000).

**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 £520,000 (2019: £632,000) and Homes recharged office and property rent costs totalling £378,000 (2019: £217,000).

At 31 March 2020, the company owed to Homes £344,000 (2019: Homes owed the company £647,000).

**Acorn Recovery Projects ("Acorn")**, a fellow subsidiary of Group  
There were no transactions during the year (2019: £Nil).

At 31 March 2020, the company owed Acorn £3,000 (2019: £9,000). This is due to a re-allocation of costs during the year.

**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 £230,000 (2019: £230,000).

At 31 March 2020, Ring Stones owed the company £22,000 (2019: £90,000).

**Safenet Domestic Abuse Support Service ("Safenet")** of Group

During the year, the company supplied Safenet with catering, cleaning, painting and decorating services amounting to £4,000 (2019: £6,000).

At 31 March 2020, Safenet owed the company £3,000 (2019: £6,000).

**Calico JV fellow subsidiaries ("JV")** of Group

There were no transactions during the year (2019: £Nil).

At 31 March 2020, JV owed the company £Nil (2019: £27,000).

## Notes to the Financial Statements (continued)

**Delphi Medical Consultants Limited** (“DMC”), a fellow subsidiary of Group  
There were no transactions during the year (2019: £Nil).

At 31 March 2020, the company owed DMC £3,000 (2019: £3,000).

**Delphi Medical Limited** (“DML”), a fellow subsidiary of Group

During the year, the company supplied DML with catering, cleaning, painting and decorating services amounting to £1,000 (2019: £4,000).

At 31 March 2020, the company owed DML £Nil (2019: £nil).

## 17. Financial commitments

### Operating leases

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Motor vehicle leases expiring:		
• Less than one year	2	14
• Two to five years	-	-
Land and Buildings, leases expiring:		
• Less than one year	39	67
• Two to five years	21	55
Equipment:		
• Less than one year	8	5
• Two to five years	7	11
	<u>77</u>	<u>152</u>