

COMPANY NUMBER: 06329047
CHARITY NUMBER: 1125312

CALICO ENTERPRISE LIMITED

Report and Financial Statements

Year ended 31 March 2017

DRAFT

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Trustees, Executive Officers, Advisors and Bankers

Board

Chair	Collette King	
Vice Chair	Stephen Aggett	(resigned 5 September 2017)
Other Trustees	Winn McGeorge Vina Mistry Georgina Nolan Matthew Callcott Shameem-Ara Khan Sarah Parr Martin King	(resigned 11 July 2016) (appointed 13 March 2017) (appointed 13 March 2017)

Executive Officers

Managing Director	Phil Jones Ed Barber	(appointed 1 April 2017) (resigned 1 April 2017)
Company Secretary	Anthony Duerden Tracy Woods	(appointed 31 March 2017) (resigned 31 March 2017)

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 2017.

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:

- Lancashire Generic Floating Support
- Bury Floating Support Families Service
- Bury Rough Sleepers Service
- Blackpool Tenancy Sustainment Service
- Syrian Refugee Programme (Pendle)

And also:

- Lancaster Accommodation Finding Service
- Chorley Accommodation Finding Service
- Fylde Complex Needs Floating Support Service
- Mental Health Secondment
- Pennine Reconnect

The core service of our support services is the Lancashire Generic Floating Support, with other larger contracts being Bury Floating Support Families Service, Bury Rough Sleepers and Blackpool Tenancy Sustainment Service. During the course of 2016/17 we have also continued to deliver and win new shorter term services detailed above.

Lancashire Generic Floating Support

Since October 2007 the charity successfully operated a generic Floating Support service operating across East Lancashire. Following a retendering exercise in 2015 this had been extended to include North and Central Lancashire with two year contract duration until May 2017 with a potential additional two years to May 2019. The new service was redesigned to enable resources to target crisis and urgent needs and now has 'avoiding homelessness' as its key aim. The service provides support to vulnerable customers, with housing related needs, by helping them to 'achieve independence' and sustain their tenancies. The new service design will involve shorter term support for people and will see a significant rise in the numbers of people supported over the contract period.

As stated in our last report in October 2016, Lancashire County Council (LCC) confirmed that they are ending their Floating Support Services. Due to this, the contract end date was brought forward to 31 March 2017 and an exit plan was implemented during this financial year.

Bury Floating Support Families Service

This service commenced on 11 January 2010 under a 3 year contract for Bury Metropolitan Borough Council. 3 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 March 2018.

Report of the Trustees (continued)

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 Government's '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 March 2018.

Blackpool Tenancy Sustainment Service

This service commenced in June 2014 under a two year contract with the possibility of an additional 2 years extension. The service delivers 197 hours of support weekly in an innovative new approach. This involves a triage arrangement to ensure those in most urgent need receive timely support and from where service users are signposted to one of three support arrangements: Crisis intervention; Traditional Floating Support (arrangements for support now include significant volunteer input) and Group work. As with the Lancashire service the Blackpool service has been redesigned to enable resources to target crisis and urgent needs and deliver 'just the right amount of support'. This will ensure the optimum numbers of clients receive the support they need.

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.

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 and Traineeships; Calico Catering, Calico Assure, Calico Creative, 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.

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 2017, Calico became the 18th (2016: 16th) 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 9th 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.

During the year, the company generated total income of £4,470,000 (2016: £4,371,000) which enabled it to support the level of activity as set out in the achievements and performance section above.

Priorities and targets for 2017 – 2018

Support Contracts

- To successfully conclude our Floating Support contracts where project closure is required ensuring efficiency in service delivery and positive reputational outcomes.
- 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

Governing Document

Calico Enterprise Limited is a registered charitable company limited by guarantee. The Articles of Association are such that the Company is a subsidiary of The Calico Group Limited, a company limited by guarantee (registered number 8747100). The registered office is Centenary Court, Croft Street, Burnley, BB11 2ED.

A group reorganisation took place on 1 November 2013 when the existing subsidiaries of Calico Homes Limited (which included Calico Enterprise Limited) became subsidiaries of the new parent company, The Calico Group Limited. New Articles of Association were adopted by the company as part of that process.

The Articles of Association also ensure that the Directors (who for the purposes of charity law are charity trustees) are the only members of the Company. Details of trustees can be found on page 1.

In the event of the Company being wound up members are required to contribute an amount not exceeding £10.

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 to help with these objectives were considered by all Boards. It has been agreed to establish a new 'social enterprise' holding company with a common board for each of the legal entities which are Calico Enterprise, Acorn, SafeNet and Delphi. This holding company will sit between the legal entities and the Group Board. A 'transitional' advisory board has been established to progress the new arrangements which are expected to be established by March 2018. 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

The Board have agreed to adopt the National Housing Federation Excellence in Governance Code 2015 edition. The Code sets down key principles with which we must comply and supporting best practice recommendations where we have some discretion. Where we do not follow the Code we must explain why not.

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 will review whether we fully comply this Code. Where an action plan is not agreed we do what is necessary to comply with the Code.

We carry out individual and collective board appraisals and produce a board development programme. This programme focuses on board performance and how the Board ensures its future effectiveness together with tailored events on specific business related topics where a training need has been identified.

The Board and its committees obtain external specialist advice from time to time as necessary.

The Board certifies that the Company is pleased to report full compliance with this Code for the year ended 31 March 2017 following an annual review that took place in March 2017.

Report of the Trustees (continued)

Appointment of Trustees

The current composition of the Board provides a range of skills and experience that reflects the objectives of Calico Enterprise, notably in respect of human resources, local knowledge, regeneration, equality, diversity, legal and finance.

Trustees' Induction and Training

The background of the trustees means they are already familiar with the work being undertaken and their responsibilities as trustees. Presentations have been made to each Board meeting to further identify and explain the work being undertaken by the charity and its governance structure. Trustees were appraised in 2016 in line with our Trustees Development Programme, the Trustees will be appraised every 2 years going forward. The aim of the programme is to continuously develop professional and effective boards that can manage business successfully. The main objectives of the programme are to:

- Strengthen the role of the boards
- Equip Board Members 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.

Trustees' Induction and Training (continued)

The programme is based on an independent annual appraisal process and on-going skills analysis underpinned by Board Member competencies that have been developed to cover the range of roles and responsibilities required by specific boards. Individual personal development plans for each Board Member are delivered in a variety of ways including induction and briefing sessions, a monthly board briefing pack, board away days, conferences, seminars and individual training programmes.

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.

None of the trustees receive any remuneration in respect of their roles as trustees. Expenses of £354 (2016: £893) were paid to two (2016: three) trustees in respect of travel costs.

Report of the Trustees (continued)

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 2016, Calico was the 18th 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	The Floating Support contracts are coming to an end with differing end dates. Bury and Pennine Reconnect will end March 2018. They will then either be retendered or extended for a period. Bury Rough Sleepers will end December 2017 and Chorley September 2017.	
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.

Reserves Policy

The current level of reserves is sufficient to meet the needs of the charity £778,000 (2016: £997,000). 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).

Report of the Trustees (continued)

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:-

Anthony Duerden

Company Secretary

4 September 2017

For the year ended 31 March 2017

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

We have audited the financial statements of Calico Enterprise Limited for the year ended 31 March 2017 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and the auditor

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's ("FRC's") Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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; or

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: 4 September 2017

Statement of Financial Activities

For the year ended 31 March 2017

	Note	Unrestricted Funds 2017 £'000	Unrestricted Funds 2016 £'000
Income			
Donations and Legacies	2	-	14
Income from Investments	3	4	3
		<hr/>	<hr/>
			17
Income from Charitable activities	4	4,466	4,354
Total Income		<hr/> 4,470 <hr/>	<hr/> 4,371 <hr/>
Expenditure			
Expenditure on Charitable activities	5	4,689	4,704
Total Expenditure		<hr/> 4,689 <hr/>	<hr/> 4,704 <hr/>
Net Expenditure for the year		(219)	(333)
Net movement in funds		<hr/> (219) <hr/>	<hr/> (333) <hr/>
Reconciliation of Funds			
Total Funds brought forward		997	1,330
Funds Carried Forward		<hr/> 778 <hr/>	<hr/> 997 <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 19 form part of the accounts.

Statement of Financial Position At 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible fixed assets	10	184	228
Intangible fixed assets	11	146	160
Total Fixed Assets		<u>330</u>	<u>388</u>
Current assets			
Stock		3	18
Debtors	12	700	728
Cash and cash equivalents		353	264
		<u>1,056</u>	<u>1,010</u>
Creditors: amounts falling due within one year	13	552	337
Net current assets		<u>504</u>	<u>673</u>
Creditors: amounts falling due after one year	14	56	64
Net assets		<u><u>778</u></u>	<u><u>997</u></u>
Unrestricted funds			
General unrestricted funds		778	997
Total unrestricted funds	16/17	<u><u>778</u></u>	<u><u>997</u></u>

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

The notes on pages 12 to 19 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 4 September 2017.

Signed on their behalf by

Sarah Parr
Trustee
4 September 2017

Notes to the Financial Statements

Calico Enterprise Limited is registered with the Charities Commission in England and Wales. The company is limited by guarantee. 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.

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.

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.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

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%
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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.

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

	2017	2016
	£'000	£'000
Donations	-	14

Notes to the Financial Statements (continued)

3. Income from Investments

	2017	2016
	£'000	£'000
Bank interest receivable	1	3
Other interest receivable	3	-
	<u>4</u>	<u>3</u>

4. Income from Charitable activities

	2017	2016
	£'000	£'000
Support contracts	1,892	2,397
Work initiatives	2,517	1,922
Overheads	57	35
	<u>4,466</u>	<u>4,354</u>

5. Analysis of Charitable expenditure

	Support contracts	Work initiatives	2017 Total	2016 Total
	£'000	£'000	£'000	£'000
Direct costs				
Staff costs	1,294	1,587	2,881	3,020
Other direct costs	369	986	1,355	1,279
Apportioned central costs	154	238	392	403
Governance costs	2	2	4	2
	<u>1,819</u>	<u>2,813</u>	<u>4,632</u>	<u>4,704</u>
Overhead – Staff Costs			30	-
Overhead – Direct Costs			27	-
			<u>57</u>	<u>-</u>
			<u>4,689</u>	<u>4,704</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.

6. Net income / (expenditure)

	2017	2016
	£'000	£'000
This is after charging:-		
Depreciation of owned assets (Note 10)	21	27
Loss on disposal of owned assets (Note 10)	23	-
Operating lease costs: land and buildings	78	-
Operating lease costs: other	24	28
Amortisation of intangible assets (Note 11)	32	-
Audit fees (Note 5)	2	2
	<u>2</u>	<u>2</u>

Notes to the Financial Statements (continued)

7. Employees

	2017	2016
	£'000	£'000
Staff costs consist of:		
Salaries and wages	2,736	2,964
Social security costs	178	163
Other pension costs	80	78
	<u>2,994</u>	<u>3,205</u>

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

	2017	2016
	Number	Number
Support contracts	68	85
Work initiatives	108	108
Overheads	2	1
	<u>178</u>	<u>194</u>
Full time equivalents (36.25 – 40 hours/week)	<u>157</u>	<u>166</u>

Pension obligations

The Company participates in the Social Housing Pension Scheme (the Scheme), a defined benefit career averaged revalued earnings final salary pension scheme. The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2014 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £3,123 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

Included in the financials is a pension accrual for the calculated deficit of £62,000 (2016: £64,000):

	2017	2016
	£'000	£'000
Due within one year (Note 13)	6	-
Due after one year (Note 14)	56	64
	<u>62</u>	<u>64</u>

Notes to the Financial Statements (continued)

7. Board members and executive officers

	2017 £'000	2016 £'000
The aggregate emoluments paid to or receivable by trustees	-	-
The aggregate emoluments paid to or receivable by executive officers	87	98
The emoluments paid to the highest paid officer excluding pension contributions	82	88
Pension cost for executive officers	5	10
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers	(28)	-
Total key management personnel remuneration	87	98

Expenses of £354 (2016: £893) were paid to two (2016: three) trustees in respect of travel costs.

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 2017.

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.

9. Property, plant and equipment

	Vehicles £'000	Property £'000	Computer Hardware £'000	Fixtures & Fittings £'000	Total £'000
Cost					
At 1 April 2016	24	210	96	99	429
Disposals	-	-	-	(63)	(63)
At 31 March 2017	<u>24</u>	<u>210</u>	<u>96</u>	<u>36</u>	<u>366</u>
Depreciation					
At 1 April 2016	23	36	71	71	201
Charge in year	-	3	15	3	21
Disposals	-	-	-	(40)	(40)
At 31 March 2017	<u>23</u>	<u>39</u>	<u>86</u>	<u>34</u>	<u>182</u>
Net book value					
At 31 March 2017	<u>1</u>	<u>171</u>	<u>10</u>	<u>2</u>	<u>184</u>
At 31 March 2016	<u>1</u>	<u>174</u>	<u>25</u>	<u>28</u>	<u>228</u>

Notes to the Financial Statements (continued)

10. Intangible Fixed Assets

	Computer Software	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 1 April 2016	-	160	160
Additions	18	-	18
At 31 March 2017	<u>18</u>	<u>160</u>	<u>178</u>
Amortisation			
At 1 April 2016	-	-	-
Charge in year	-	32	32
At 31 March 2017	<u>-</u>	<u>32</u>	<u>32</u>
Net book value			
At 31 March 2017	<u>18</u>	<u>128</u>	<u>146</u>
At 31 March 2016	<u>-</u>	<u>160</u>	<u>160</u>

During the prior year, 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.

11. Debtors

	2017	2016
	£'000	£'000
Trade debtors	456	601
Prepayments and accrued income	36	19
Amounts owed from group undertakings	208	101
Other debtors	-	7
	<u>700</u>	<u>728</u>

12. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Amounts owed to group undertakings	88	78
Accruals and deferred income	274	192
Pension liability (see Note 7)	6	-
Other creditors	184	67
	<u>552</u>	<u>337</u>

Deferred income comprises amounts received in advance for support contracts.

Notes to the Financial Statements (continued)

13. Creditors: amounts falling due after one year

	2017	2016
	£'000	£'000
Pension liability (see Note 7)	56	64
	<u>56</u>	<u>64</u>

14. Analysis of net assets between funds

	General Unrestricted Funds	General Unrestricted Funds
	2017	2016
	£'000	£'000
Tangible Fixed Assets (Note 10)	184	228
Intangible Fixed Assets (Note 11)	146	160
Net Current Assets	510	673
Long Term Liabilities (Note 14)	(62)	(64)
	<u>778</u>	<u>997</u>

15. Movements in funds

	Total at 31 March 2016	Incoming Resources	Outgoing Resources	Total at 31 March 2017
	£'000	£'000	£'000	£'000
General Unrestricted Funds	<u>997</u>	<u>4,470</u>	<u>4,689</u>	<u>778</u>

16. Parent undertaking

The Company is a subsidiary of The Calico Group 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.

Notes to the Financial Statements (continued)

17. 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
There were no transactions during the year (2016: £Nil).

At 31 March 2017, the company owed to Group £Nil (2016: £14,000).

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

Both Calico JV Limited and Hobstones Homes Limited are designated members of Ring Stones and also subsidiaries of Group.

During the year, Ring Stones carried out works amounting to £3,000 (2016: £16,000) and sales to Ring Stones totalled £134,000 (2016: £188,000).

At 31 March 2017, Ring Stones owed the company £54,000 (2016: £55,000).

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 £496,000 (2016: £533,000) and Homes recharged office costs totalling £150,000 (2016: £152,000).

At 31 March 2017, Homes owed the company £37,000 (2016: £52,000).

Acorn Recovery Projects ("Acorn"), a fellow subsidiary of Group

During the year, Enterprise supplied Acorn with catering, cleaning, painting and decorating services amounting to £48,000 (2016: £3,000) and Acorn recharged training costs amounting to £4,000 (2016: £Nil).

At 31 March 2017, Acorn owed the company £1,000 (2016: £Nil).

Other fellow subsidiaries ("Others") of Group

During the year, Enterprise supplied Others with catering, cleaning, painting and decorating services amounting to £15,000 (2016: £29,000).

At 31 March 2017, Others owed the company £27,000 (2016: £34,000).

18. Financial commitments

Operating leases

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

	2017	2016
	£'000	£'000
Motor vehicle leases expiring:		
• Less than one year	14	27
• Two to five years	-	16
Land and Buildings, leases expiring:		
• Less than one year	78	-
• Two to five years	48	-
	<u>140</u>	<u>43</u>