

Company Number: 3752751

A woman with red hair in a ponytail, wearing a dark grey jacket and a Calico Homes lanyard, is walking and talking to a man. The man has a beard and is wearing a dark blue Nike sweatshirt and a Calico Homes lanyard. They are walking on a paved path in front of a building with windows and a metal fence. The background is slightly blurred.

Calico Homes Limited

Report and Financial Statements

Year ended 31 March 2025

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Board Members, Executive Officers, Advisors and Bankers

Board

Chair	William Lacey
Vice Chair	Tim Patel
Other Members	Claire Bradley David Gooda (Appointed 4 November 2024) Victoria Cooper (Retired 4 November 2024) Gerard Gallagher Rachael Kaminski Dario Leone Sarah Roberts Paula Robinson (Retired 4 November 2024) Vincent Roche

Company Secretary	Anthony Duerden
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Executive Officers

Group Chief Executive	Anthony Duerden
Deputy Chief Executive	Helen Thompson
Executive Director of Finance	Chloe Christian
Executive Director of Organisational Development	Vicki Howard

Registered Office	Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED
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Company Registered number	3752751
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Charity Registered number	1151945
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Regulator of Social Housing	L4254
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External Auditor	Crowe U.K. LLP 3 rd floor, 56 Peter Street Manchester, M2 3NQ
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Internal Auditor	Beever and Struthers One Express, 1 George Leigh Street Manchester, M4 5DL
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Solicitors	Forbes Solicitors Rutherford House, 4 Wellington Street St. Johns, Blackburn, BB1 8DD
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Bankers	National Westminster Bank 6th Floor, 1 Spinningfields Square Manchester, M3 3AP
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Lenders	National Westminster Bank Floor 3, Kirkstane House 139 St Vincent Street Glasgow, G2 5JF	Nationwide Building Society Kings Park Road Moulton Park Northampton, NN3 6NW
	MorHomes PLC Future Business Centre Kings Hedges Road, Cambridge, CB4 2HY	

Report of the Board

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

Principal activities

Calico Homes Limited is a Registered Charity. New Charitable Articles were adopted from 1 April 2013 with Charity Commission registration being granted on 8 May 2013. Calico Homes is governed by its memorandum and articles of association and is registered with the Regulator of Social Housing ("RSH") as a registered provider.

Calico Homes is the largest provider of affordable housing in the Burnley area and plays a significant role in the on-going development and enhancement of housing opportunities for people in need.

Whitworth Care Trust was incorporated into Calico Homes in January 2017, the Care Quality Commission registration is with Calico Homes and the care home service is provided at Barley View, Whitworth.

Calico Homes Limited is a subsidiary of The Calico Group Limited ("Calico").

Public Benefit

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

Calico Homes undertakes and manages its activities in line with the Vision and strategic objectives. The Board receive regular updates on performance against delivery of the strategic objectives as outlined within the Strategic Report on page 8.

Review of the year

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

The Board

The Board comprises nine Non-Executive Directors who are responsible for setting the vision and strategic objectives of the business and overseeing their delivery. The Non-Executive Directors are Trustees for charity purposes.

The Non-Executive Directors who served during the year and up to the date of the signing of these financial statements are listed on page 1. During this period, there has been one new appointment to the Board and two retirements. The Board met eight times throughout the year and all meetings were quorate.

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

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

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

Board members normally serve for up to six years, with a maximum term of nine years, including time served on other Group Boards. Reappointment beyond six years is reviewed annually, taking into consideration the skills and experience required by the Board. William Lacey (Chair) and Claire Bradley were extended for a further year in 24/25. The Chair recruitment has completed in 25/26 and David Gooda has been appointed as Chair and will commence his role in November 2025.

Report of the Board (continued)

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

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

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

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

- **Audit & Assurance Committee**

The Group Audit & Assurance Committee is responsible for reviewing the Calico Group's risk management framework and reports to the Calico Homes Board on the effectiveness of the Company's internal control arrangements. The Committee approves the scope of work of both internal and external auditors, including their appointments. It also considers the financial statements and recommends their approval to the Board. The Committee met five times during the year.

- **Nominations and Remuneration Committee**

The Group Nominations and Remuneration Committee advises the Board on Non-Executive Director recruitment and remuneration, and the appointment and remuneration of the Group Chief Executive and Executive Directors, taking independent advice as necessary. The Committee also sets the objectives for the Group Chief Executive and reviews performance against those objectives. The Committee met three times during the year.

Community Engagement

Calico Homes approach to involving customers is in line with the revised Consumer Standards and is set out in our Customer Voice Framework which was approved by Board. The organisation involves customers through a variety of formal and informal approaches utilising customer feedback to influence service improvements and key decisions. There are a range of different opportunities which ensure customers are involved at all levels. These include:

- Tenancy Satisfaction Measures (TSM)
- Customer Experience Network who are involved in consultation activity via e mail
- Complaints Scrutiny Group
- Service Scrutiny Board
- Customer Board membership
- Creative Involvement Projects
- Service level and informal involvement within neighbourhoods
- Active community groups

Calico Homes values the insight gathered from its customers and utilises the feedback to support service delivery improvements, identifying any key themes and developing and delivering actions to improve these areas.

Calico Homes has a clear and simple complaints policy which is compliant with the Housing Ombudsman Complaints Handling Code published in February 2024. The policy is accessible to all customers and is focused on the principle of doing the right thing to resolve complaints at first point of contact where possible.

Pensions

Executive Directors are eligible to join the defined contribution Social Housing Pension Scheme. The Executive Officers participate in the scheme on the same terms as all other eligible staff. Full details of the scheme are given in note 10 to the financial statements.

Employees

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

Calico Homes engages and develops colleagues through regular briefings from senior leadership, regular departmental meetings, an annual conference, "One Calico" events, a performance and personal growth framework, a regularly updated intranet site and newly introduced podcasts.

Report of the Board (continued)

Employees (continued)

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

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

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

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

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

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

The Calico Group attracts a diverse range of colleagues from different backgrounds. Calico Homes diversity of our employees is 46% (2024: 41%) male, 54% (2024: 59%) female, 4.3% (2024: 8%) who self-identify as disabled, 12.3% (2024: 12%) from an Ethnic Minority background and 2.2% (2024: 5%) who identify as LGBTQ+.

Calico Homes 2025 Gender Pay gap report confirms Calico has a mean gender pay gap of 6.85%, increasing from 5.5% in 2024. The median pay gap is 12.66% reducing from 14.05% in 2024.

Health and Safety

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

Internal controls assurance

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

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

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

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

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

Report of the Board (continued)

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

- **Identifying and evaluating key risks**

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

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

- **Information and reporting systems**

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

- **Monitoring arrangements**

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

External Assurance

- **Internal Audit**

Internal Audit is provided by Beevers and Struthers who are responsible for the independent and objective review of the effectiveness of the internal control system within the Calico Group and this provides independent assurance to the Board, via the Group Audit & Assurance Committee. The arrangements include a rigorous procedure, monitored by the Group Audit & Assurance Committee, for ensuring that corrective action is taken in relation to any significant control issues. In 2024/25 the Board received an annual report which confirmed partial assurance in respect of the design and reasonable assurance in respect of the operation of internal controls within the scope of work reviewed. Whilst there were audits with partial assurance outcomes, the internal audit plan for 24/25 focussed on audits where it had been identified that improvements were required. As at 31st March 2025, there is an 86% implementation rate confirming the majority of recommendations had been completed, providing the Board with assurance on the delivery of improvement of controls identified through the internal audits.

- **External Audit**

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

National Housing Federation (NHF) Code of Governance

The Board has adopted the NHF Code of Governance 2020.

The Board confirms compliance with the Code for the year ended 31 March 2025.

To enable continuous improvement, the Board has identified some enhancement actions which will further support compliance with the NHF Code of Governance.

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

Report of the Board (continued)

Regulator of Social Housing (RSH) Regulatory Standards Compliance

In Spring 2024, the RSH carried out a regulatory inspection. The inspection uses a risk-based approach to assess providers' financial strength, risk profile, approach to value for money and their quality of governance. From April 2024, inspections now include proactively seeking evidence that a landlord is delivering the outcomes of the consumer standards. The outcome of this inspection was published in September 2024 and confirmed a C2, G2, V2 status.

Calico Homes Board have agreed a regulatory action plan focussing on Consumer and Governance improvements and has worked closely with the Regulator and continues to engage positively with regular progress updates. There has been significant progress with a number of improvements delivered that will sustain the improvements and changes.

The Board completed their annual self-assessment against the requirements of the RSH Governance and Financial Viability Standard and confirm compliance with the Regulatory Standards.

Fundraising Practices

The charity had no fundraising activities requiring disclosure under s162A of the Charities Act 2011.

Reserves Policy

The Trustees review the level of reserves annually.

After transfer of the surplus for the year of £1.528m (2024: £0.974m) and actuarial gain of £0.116m (2024: loss £0.167m), the Company Reserves at the year-end amounted to £6.361m (2024: £4.833m).

Statement of directors' responsibilities for the annual report and financial statements

Company law and registered provider regulation requires the directors to prepare financial statements for each financial period. Under that law directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the surplus or deficit of the Company for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- ensure United Kingdom Accounting Standards and the Statement of Recommended Practice: "Accounting by Registered Social Housing Providers" (updated 2019) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis.

Statement of directors' responsibilities for the annual report and financial statements (continued)

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 2006, paragraph 17 of schedule 1 of the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Social Landlords. It is also responsible for taking reasonable steps to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditors

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

Going concern

In 2024/25 Calico Homes surplus was £1.5m (2024: £0.8m) and net assets of £6.4m (2024: £4.8m), which includes £0.304m (2024: £0.541m) provision for the SHPS defined benefit scheme liability. At 31 March 2025 the Statement of Financial Position records a net current liabilities position of £4.1m (2024: £2.56m). The treasury management policy in place requires the draw down of funds take place only as required or as liabilities fall due for payment. Included in current liabilities is a £1m (2024: £1m) capital loan repayment which is due to be repaid on 31 March 2026. The board confirm that the net current liabilities position at 31 March 2025 is in line with the 30 year business plan and does not indicate a change to the going concern basis on which the financial statements have been prepared.

Report of the Board (continued)

Going concern (continued)

Calico Homes has a long-term business plan which has been subject to sensitivity and stress testing based on multiple scenarios, which confirm the organisation has sufficient cash and is able to continue to meet the financial covenants within the loan facilities. This is supported by strong income collection and void loss performance.

Calico Homes has in place an undrawn revolving credit facility of £3.7m, although this increased to £6.2m, in April 25 as £2.5m was repaid but the facility remained available. The NatWest have approved a new 5 year Revolving Credit Facility of £10m and this was approved by Calico Homes Board in June 2025.

As at March 2025, 82.3% of borrowings are fixed, this mitigates the risk of increased interest costs in the medium term.

As part of the committed on-site development schemes, there are confirmed future Homes England development grants. This confirmed that Calico Homes has sufficient resources to finance committed reinvestment and development programmes, along with the Calico Homes day to day operations.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Auditor

Crowe U.K. LLP were appointed as auditors in November 2021, following a tender process, for a period of 3 years with an option for a further 2 years.

This report was approved by the Board on 16 September 2025 and signed on its behalf by:

A handwritten signature in purple ink that reads "Anthony Duerden".

Anthony Duerden
Company Secretary
Date: 16 September 2025
For the year ended 31 March 2025

Strategic Report of the Board

Calico Homes is part of The Calico Group, providing a unique approach for Calico Homes. The Group's innovative charities and businesses provide a diverse range of services, with each Group company having its own specialism, expertise, and a track record across a range of disciplines including housing, healthcare, support, employability, and construction. Working alongside the rest of The Calico Group, Calico Homes supports and enables customers to live their best lives ensuring they live safely, independently and with purpose. Providing good quality homes with additional provision such as employment opportunities, building confidence, developing skills, and working within local communities. Calico Homes purpose is to make a real difference to people's lives with our vision and values ensuring we keep our customers and colleagues at the core of everything we do.

In January 2023, the Calico Homes Board reviewed and refreshed the vision and strategic objectives when agreeing the Calico Homes Corporate Plan for 2023-2025.

Our Vision

Going one step further with customers and local communities, to provide affordable, safe and quality homes and personalised services, supporting customers to live their best lives in challenging times.

Our Values

Our values remain unchanged and reflect the priorities we see our organisation needs to concentrate on to ensure that the vision can be delivered. They embody the culture of Calico Homes and set out the behaviours we expect of all our colleagues and the Board.

Our values are:

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

Strategic Objectives

The vision and values provide the strategic direction for Calico Homes. These are underpinned by our strategic objectives which are:

- To provide safe and well-maintained homes through investment in existing and new properties.
- To support customers to sustain tenancies (including community development).
- To provide good quality and personalised repairs, customer and neighbourhood services.
- To develop trusting relationships and to empower customers and communities to take the lead on the things that matter most.
- To strengthen the business so it is strong, well-governed, environmentally friendly and provides value for money customers.
- To create a place where people want to work now and in the future.

Performance against Strategic Objectives in 2024/25

In 2024/25 Calico Homes performed well in the delivery of strategic objectives despite the continuing challenges of an unpredictable financial and political climate. The cost-of-living crisis also continues to impact significantly on Calico Homes customers and colleagues. Despite these challenges, Calico Homes has continued to deliver services for customers and diversify its service offer in line with customer priorities

In Spring 2024, Calico Homes also had an inspection by the Regulator of Social Housing in Quarter 1 and was assessed against delivery of the new Consumer Standards introduced in April 2024 for the first time. The outcome of the inspection was published in September 2024, confirming a Consumer Rating of C2, Governance rating of G2 and the financial viability rating remained unchanged at V2.

The C2 rating confirmed delayed progress with undertaking physical stock condition surveys, an outstanding backlog of repairs and improving tenant data information. Prior to the inspection, Calico Homes had identified delays with undertaking the surveys internally due to resourcing pressures and the Board had approved an outsourced approach to the surveys. Following a procurement exercise, external surveyors were appointed in Summer 2024. There has been considerable progress made, and Calico Homes is on target to complete by June 2025.

Strategic Report of the Board (continued)

The Governance rating of G2 noted that improvements are needed to demonstrate Calico Homes independent decision making and improved transparency across the Group. Prior to the Regulators inspection, Calico Homes and the Group had commissioned an external Group Structure Review and at the time of the inspection was working to implement the recommendations. A Strategic Review of all activity has been undertaken with all Group Boards to provide clarity on each Group company role and this has confirmed Calico Homes strategic priorities which will support the 25/26 refresh of the corporate plan. In addition Calico Homes also undertook an external Governance effectiveness review in March 2025 which was positive, highlighting areas to consider for further improvement, and Calico Homes is working to adopt the recommendations within the review.

The Tenant Satisfaction Measures confirmed that customers highest priority was to feel safe and secure in their own homes and that they were kept in a good state of repair. During the year the focus was on reducing the out of time repairs, which was successfully achieved by the end of March 2025. In addition, the Service Scrutiny Board undertook a review of our Repairs service, presenting its findings to Board. This has resulted in a number of customer led improvements being implemented including a full review of the Repairs Policy.

Customer feedback is integral to Calico Homes, and we have continued to evolve our Customer Voice framework providing a number of different mechanisms for customers to be involved in service and policy redesign. Customers were heavily involved in the development and implementation of our new customer portal and app "Calico Connect" which was launched on the 2nd January 2025. The app offers customers the opportunity to book a repair appointment at first point of contact in addition to paying their rent and checking information about their tenancy.

Calico Homes is committed to supporting customers to sustain their tenancies and to support this have completed a review of the Allocations Policy. This has enabled us to establish a successful "Pathways to Housing" scheme which supports customers moving out of temporary accommodation into their new home without having to navigate the "B With Us" choice-based lettings system. Calico Homes continues to build on the success of the rent personalisation fund which is targeted at supporting customers who may not be eligible for other funding/grants. The fund has been used to support customers with a range of targeted interventions, including furniture and energy costs, to improve customers lives and support sustainment of their tenancies.

Calico Homes has focussed on delivery of their Equality, Diversity and Inclusion Strategy with targeted campaigns to increase the amount and quality of EDI and vulnerability data of our customers. Utilising this data enables Calico Homes to tailor services appropriately and to ensure there are not any excluded groups of customers or barriers in their way to communicate with and/or access services.

Calico Homes continues to be a key partner in the Burnley Together partnership. This is a strategic partnership of local charities and businesses, collaborating to deliver more in Burnley for communities and our customers, with a clear focus on addressing health and wellbeing and poverty.

Calico Homes has continued in delivery of its ambitious development programme and in 2024/25 successfully delivered 54 new homes.

Work has continued on the delivery of the largest scheme to date, Dovestone Gardens a 93-unit extra care provision in Burnley which was completed in April 2025. The ambitious development is a first for Burnley, aiming to provide specialist housing with care in a neighbourhood setting where health, support services and community activities can come together to improve people's quality of life and reduce social isolation. There are not any dedicated schemes of this kind in Burnley and the provision of this service is much needed within the town. As part of the Calico Group a new division, Syncora Care, has been established to support the delivery of the care service provision at Dovestone Gardens.

In line with the strategic objective to have happy, positive, and connected teams who believe in Calico Homes purpose and values, Calico Homes recognises the importance of its colleagues and has continued to support colleagues with a range of learning and development opportunities. In response to the new Tenant Satisfaction Measures outcomes a new Impact Learning and Development programme was delivered which focused on how colleagues could improve the customer experience by doing the right thing.

Calico Homes continues to develop colleagues digital and project skills to support the transformation agenda and has adopted a robust approach to workforce planning. This has contributed to us being able to maximise on recruitment and retention, offering career progression opportunities to colleagues across the business.

The Homes Senior Leadership Team has continued to develop and evolve with a focus on delivery of the objectives, Consumer Standards and maintaining a firm focus on budget and risk management. In year to strengthen the Senior team there have been new roles introduced – a Director of Maintenance & Compliance, a Director of Asset Management and a Head of Business Performance & Assurance. These roles have ensured that focus is given in those areas which matter most to customers and in strengthening our approach to risk, performance management and effective governance.

Strategic Report of the Board (continued)

Future Plans for 2025/26

Work is ongoing to complete a full refresh of the Homes Corporate Plan in readiness for its launch in April 2026. All activities across Calico Homes align with the strategic objectives to ensure that the focus is on core business activity and that Calico Homes colleagues and services are making a real difference to people's lives.

Priorities for 2025/26 include:

- Delivery of the Regulatory action plan to demonstrate we are effectively governed and delivering high quality services to customers.
- Further development of Calico Connect, increasing the services offered to customers via the app and the portal.
- Delivery of the refreshed Customer Voice framework, to include the introduction of a new Customer Committee recruited from customers and existing Board members and focusing on delivery of the Consumer Standards.
- Continued focus on financial efficiency enabling savings which can be used to reinvest into front line services.
- Renewing the Domestic Abuse Housing Alliance (DAHA) accreditation. This is a scheme open to housing associations, Local Authority housing teams, and homelessness providers across the UK to help them improve their response to domestic abuse.
- Ensuring Calico Homes has robust and accurate data to enable sound decision-making. This will be supported by the implementation of technological improvements to business intelligence reporting enabling managers access to real time data.
- Continue the collection and monitoring of the new set of regulatory Tenant Satisfaction Measures (TSMs). These indicators form part of the overall KPI suite and will be reported to both Homes Leadership Team and Board. An external consultant has been appointed to carry out proportionate surveying in 2025.
- Reviewing the approach to the management of and setting of service charges to ensure customers are paying the correct amount towards the delivery of their services, ensuring transparency on the charges and service offer, and ensuring recovery of costs to maximise income potential.
- Continued delivery of our Transformation Programme focusing on our systems and enabling us to make the best use of or improve their functionality.
- Continued focus and strengthening of all compliance activity, ensuring that Board receive adequate levels of assurance in this critical area.

Risks and Challenges

Calico Homes is the largest social landlord within Burnley and recognises the important role as a social landlord delivering quality homes and services and investing in the local community with circa 90% of homes within Burnley.

In the context at a local level, property values and rent levels are the lowest in the country, coupled with the level of need being higher than in most places (11th most deprived borough). Burnley has lower household income levels and a higher level of unemployment when comparing to the National, North-West and Lancashire averages.

Calico Homes continues to operate in a volatile, complex environment, which presents a number of risk and challenges. Calico Homes Board has overarching responsibility for ensuring risks are managed in the organisation and must seek assurance that this is happening effectively. As part of the Calico Group approach to risk management, Calico Homes has a risk map in place including mitigations which is reviewed by Board quarterly. The Board have participated in an externally facilitated workshop to review their risks, the sector risk profile and stress testing. This has informed a full review of the risk map in 2024/25.

Recruitment and retention continue to be an area of key focus for the Group with the current employment market position presenting an additional challenge in some areas. Calico Homes has introduced bespoke recruitment campaigns with the aim of supporting recruitment into service areas which have experienced increased recruitment challenges e.g., Repairs, Asset Management and Compliance. Calico Homes continues to partner with colleague engagement specialists, HIVE to measure colleague engagement and wellbeing on a regular basis. Information is used to develop a bespoke People Plan for Homes to address areas of dissatisfaction and to improve the morale and well-being of colleagues.

Colleague retention and reduced availability of skills and labour may undermine delivery of essential activities as the pressure to recruit and retain a talented workforce continues to increase. Within the public sector, the benefits package and security of job roles has become critical as it struggles to compete with salary levels in the private sector. In addition to this, housing sector salaries have been increasing above average levels in a number of key areas. An increased reliance on robust IT solutions, systems and data management is also a challenge, as colleagues strive to deliver the improved digital services customers are demanding. In addition to this the expected professionalisation with the changes to the Regulatory Standards that will be introduced for managers within the sector could further impact on colleague retention and the attraction of new people into the housing sector.

Strategic Report of the Board (continued)

Cybersecurity is emerging as a more significant risk to housing associations due to our handling of sensitive tenant data, including personal, financial, and health information. We recognise that we are potentially a target for cybercriminals, particularly for ransomware attacks, which would disrupt essential services like rent collection and maintenance reporting. An internal audit of this area was carried out in 2024/25 and we are continuing to work to deliver the recommendations made and minimise the risk to the business.









Health & Safety compliance and the condition of our homes remain key areas of focus for Calico Homes, given the increasing business and customer risk associated with both topics. The Regulator of Social Housing is continuing its focus on customer and building safety with the introduction of a new Decent Homes criteria expected in 2025 and the expected introduction of "Awaabs Law" in Autumn 2025. This means Calico Homes will need to make informed financial decisions around investment in an unstable financial environment. Potential changes to Government policy and funding relating to Registered Providers could affect our ability to grow and meet strategic aims. This may also increase costs of income collection as the managed migration to Universal Credit continues.

Calico Homes continues to see a high demand on its damp, mould and condensation team. The additional number of inspections carried out to meet this increase in demand, coupled with the focus on undertaking cyclical stock condition surveys has led to an increase in the volume of responsive repairs seen in previous years.

Calico Homes Strategic Objectives – Performance and Value for Money (VfM)

Calico Homes has assessed performance of delivery of the strategic objectives, aligning to delivery of VfM.

Objective one: To provide safe and well-maintained homes through investment in existing and new properties.

STRATEGIC OBJECTIVE 1	2023/24 Target	2023/24 Actual	Achieved target	Target 2024/25	2024/25 Actual
Number of Development units completed	63	56		94	54
% of non-emergency responsive repairs completed in time	96%	83.6%		85%	82.2%
% of emergency responsive repairs completed in time	96%	99.2%		99%	99.2%
% Properties with a valid electrical certificate (10 years)	100%	100%		100%	99.96%
% Properties with valid electrical certificate (5 years)	100%	92.0%		100%	82.24%
% Properties with valid gas certificate	100%	100%		100%	100%
% Fire Risk Assessments Valid	100%	100%		100%	99.89%
% Homes not meeting the DHS (TSM)	0.0%	0.5%		0%	0.3%

During the 2024/25 financial year, Calico Homes continued to implement its Development Strategy, successfully delivering 54 new homes. This includes the completion of the Kinross Street development and several properties under the Empty Homes Programme. Construction progressed on our largest project to date, Dovestone Gardens, a 93-unit extra care facility in Burnley. This scheme was due for completion in 24/25, however reached practical completion in April 25 and has since welcomed its first residents.

Calico Homes maintained high levels of statutory compliance across key safety areas, including gas, electrical systems, asbestos, legionella, and lift operations. Significant progress has been made in addressing fire risk assessment actions, with all high-risk items now allocated and scheduled for resolution.

Throughout 2024/25, the Board received regular updates on damp, mould and condensation (DMC) issues. Continued progress has been made in mitigating these concerns across Calico's housing stock. A comprehensive review of internal processes led to the use of the ActiveH system to track DMC cases, which has improved data accuracy, reduced duplication, and streamlined case management.



In January 2025, a Director of Maintenance and Compliance was appointed to the Asset Management team, bringing additional leadership capacity and specialist expertise in property compliance.

Strategic Report of the Board (continued)

We retain high levels of compliance with the Decent Homes Standard, with 99.7% of properties meeting the required standard. Currently, 0.3% of properties are non-compliant, due to disrepair, maintenance and condition, and one a Housing Health and Safety Rating (HHSRS) Class B failure.

The Calico Connect App, piloted in November 2024 and officially launched in January 2025, now offers customers digital access to key services such as repair bookings, messaging, and rent payments. To enhance accessibility, the first six language packs, reflecting the most common native languages among our customers, have been integrated. Phase two of the app's rollout is scheduled for early 2025/26.

Objective 2 – Tenancy Sustainment - To support customers to sustain tenancies (includes community development)

STRATEGIC OBJECTIVE 2	Target 2023/24	Actual 2023/24	Achieved target	Target 2024/25	Actual 2024/25
% of General Needs and Housing for Older People terminations, sustaining tenancy for at least 12 months (LTM)	91%	89.8%		92%	93.07%
% of customers satisfied with the ASB service	60%	87.5%		60%	67.2%
Number of ASB cases received per 1000 properties (TSM)	n/a	45.6	n/a	No target	27.4
Number of hate related crime ASB cases received per 1000 properties (TSM)	n/a	0.6	n/a	No target	2

The Calico Homes Personalisation Fund has continued to play a vital role in supporting customers facing financial hardship. Throughout the year, the fund has been used to assist with essential needs such as fuel costs, the rising cost of living, carpets, and white goods. This targeted support has helped alleviate financial pressures and improve living conditions for many customers.

The Tenancy Sustainment Team, alongside colleagues across Neighbourhood Services, has delivered tailored support to customers based on individual circumstances. This personalised approach has contributed significantly to tenancy sustainment and customer wellbeing. As a result, Calico Homes exceeded its tenancy sustainment performance target, achieving a rate of 93.07% against a target of 92%.

The Community Safety Team has continued to embed a trauma-informed approach in addressing anti-social behaviour (ASB), achieving several positive outcomes over the year. This approach balances supportive interventions with appropriate enforcement measures and is underpinned by strong partnership working with local authorities, police, and other relevant agencies.

Although customer satisfaction with the ASB service was recorded at 37.5%, below the 60% target, this figure was derived from a very small number of end-of-service surveys and may not fully reflect overall service performance. Conversely, 67.2% of customers completing the Tenant Satisfaction Measure (TP12) were happy with Calico's approach to handling antisocial behaviour.

A focus group with Customer Experience Network members was held to update the ASB process and explore how the Calico Connect App might support this. Insights from this focus group were included in the scope for ASB reporting in the Calico Connect app, which forms part of phase 2 and includes a new method of surveying.



Calico Homes remains committed to maintaining its accreditation with the Domestic Abuse Housing Alliance (DAHA), with preparations for re-accreditation in 2025/26 well underway. The organisation continues to benefit from its close collaboration with SafeNet, a Calico Group company, which enhances the support available to customers experiencing domestic abuse. As part of continuous improvement efforts linked to the DAHA framework, responsibility for supporting customers affected by domestic abuse has been transitioned to the Tenancy Sustainment Team. This move aligns with sector best practice and ensures a more integrated support offer.

The implementation of the Calico Group Pathway to Housing model and revised lettings processes (moving away from 100% council nominations) has proven highly effective. This approach has enabled more responsive and flexible management of housing stock, particularly for customers who are under-occupying or overcrowded, require relocation for medical reasons, or are moving from supported housing services (including homelessness and domestic abuse accommodation) provided by Calico Group companies.

Strategic Report of the Board (continued)

Pathway to Housing is a collaborative initiative launched by Calico Homes, Gateway (Homelessness service), and Safenet in response to the high demand for housing. Calico Homes identified the difficulty individuals in our support services faced in transitioning to long-term accommodation. By joining forces, this not only enables people to move into their own homes at the right time, but also offers continued assistance to help them sustain their tenancies. This partnership ensures that customers are supported not just in securing housing, but in thriving in their home and living their best life.

Objective three: Improving Services - To provide good quality and personalised repairs, customer and neighbourhood services

STRATEGIC OBJECTIVE 3	Target 2023/24	Actual 2023/24	Achieved Target	Target 2024/25	Actual 2024/25
No of Stage 1 complaints received per 1000 properties (TSM)	n/a	24.1	n/a	No target	45.7
No of Stage 2 complaints received per 1000 properties	n/a	2.6	n/a	No target	3.9
% stage 1 complaints responded to within timescales (TSM)	90%	74.6%		90%	63.6%
% stage 2 complaints responded to within timescales (TSM)	90%	92.9%		90%	57.1%

Complaints handling remained a key area of focus for Calico Homes throughout 2024/25. While overall satisfaction levels were below target, there was improving performance in the final quarter of the year. The approach to managing customer feedback is aligned with the Customer Strategy, placing emphasis on fairness, equity, and transparency. It also reflects the standards set by the Regulator of Social Housing and the Housing Ombudsman.

Complaints have served as a valuable source of insight into customer experiences, particularly highlighting concerns around communication and dissatisfaction with certain policies. In response, Calico Homes has made improvements to complaint response times and internal processes, with a renewed focus on clear communication and understanding customer needs.

Calico Homes recognises the Housing Ombudsman's role in promoting a culture of learning through complaints. Insights from complaints are regularly analysed to identify recurring themes and better understand customer expectations. Importantly, Calico Homes ensures that customers are informed about how their feedback has led to tangible changes, reinforcing trust and accountability. The introduction of an Excellence Framework is ongoing which will be used a tool to monitor and feedback on the customer voice.

To support this, there has been a centralised document hub introduced, providing colleagues with easy access to policies, procedures, and user guides. This initiative was developed in response to complaints about poor customer experience, often linked to delays or unclear processes.

A recurring theme in 2024/25 was dissatisfaction with policies and procedures, particularly around fencing requests and redecoration following repairs. These complaints prompted a review of how the Reasonable Adjustments Policy is applied. As a result, new procedural guidance is being developed to support staff in delivering more consistent and equitable outcomes.

In Q4, the Customer Scrutiny Group (CSG) conducted a review of Q3 performance, complaint themes, and feedback from the complaint's satisfaction survey. The group also independently assessed Calico Homes' compliance with the Housing Ombudsman's Code and reviewed the annual complaints and learning report. Following their recommendations, approval was granted for a dedicated resource to ensure complaints are handled within required timescales and in line with policy expectations.

In line with the organisation's EDI Action Plan, efforts are ongoing to ensure that feedback is gathered from a diverse and representative cross-section of customers. This is essential to ensure that service improvements are inclusive and reflect the needs of all communities served by Calico Homes.

Strategic Report of the Board (continued)

Objective 4 – Customer Relationship - To develop trusting relationships and to empower customers/communities to take the lead on things that matter most.

STRATEGIC OBJECTIVE 4	Target 2023/24	Actual 2023/24	Achieved target*	Target 2024/25	Actual 2024/25
TP01 - Proportion of respondents who report that they are satisfied with the overall service from their landlord.	n/a	72.2%		75%	74.4%
TP02 - Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	n/a	74.5%		77%	76.0%
TP03 - Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	n/a	68.4%		70%	70.0%
TP04 - Proportion of respondents who report that they are satisfied that their home is well maintained.	n/a	64.9%		66%	72.0%
TP05 - Proportion of respondents who report that they are satisfied that their home is safe	n/a	72.1%		74%	78.8%
TP06 - Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them.	n/a	56.8%		58%	63.8%
TP07 - Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them.	n/a	64.8%		70%	72.1%
TP08 - Proportion of respondents who report that they agree their landlord treats them fairly and with respect.	n/a	72.4%		75%	80.2%
TP09 - Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling.	n/a	37.9%		40%	37.9%
TP10 - Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained.	n/a	60.5%		62%	76.5%
TP11 - Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood.	n/a	56.1%		58%	67.3%
TP12 - Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour.	n/a	57.0%		59%	67.2%

In accordance with regulatory requirements, all registered providers managing over 1,000 homes were required to submit their Tenant Satisfaction Measures (TSMs) for 2023/24 to the Regulator of Social Housing (RSH) by the end of June 2024. Calico Homes commissioned an independent, external organisation to conduct the survey and ensure impartiality and accuracy in data collection.

Calico Homes performed strongly across the TSM framework, meeting or exceeding targets in 9 out of the 12 measured indicators. Notable improvements were recorded in areas such as fairness, respect, and property maintenance. While complaints handling showed a slight decline overall, data from Quarter 4 indicates that recent service improvements are beginning to positively impact customer satisfaction in this area.

Strategic Report of the Board (continued)





Benchmarking against a wider group of providers demonstrates that Calico Homes performed above the group median across all measures. Two indicators—maintenance of communal areas and approach to anti-social behaviour—ranked in the top quartile, while the remaining ten indicators, including overall satisfaction, were positioned in the second quartile.

However, when comparing performance specifically against other housing associations, particularly smaller providers, Calico Homes ranked in the second or third quartile for all but one indicator. This variance is understood in the context of operating in a region with high levels of deprivation, which presents unique challenges. Nevertheless, priority areas for improvement have been identified and are being actively addressed.

A key area of focus moving forward will be customer satisfaction with the maintenance of homes, as this remains a primary driver of overall satisfaction. Insights from recent stock condition surveys will guide investment decisions, with particular attention to customer priorities such as doors, windows, and roofing.

Customer Voice remains a priority for Calico Homes. A Customer Voice Framework has recently been approved emphasising the importance of customer involvement and feedback. Our approach aligns with the principles of the Customer Strategy, focusing on power balance, equality, and equity.

Objective 5 – Business - To strengthen the business so it is a strong, well governed, environmentally friendly and provides VfM for customers.

STRATEGIC OBJECTIVE 5	Target 2023/24	Actual 2023/24	Achieved	Target 2024/25	Actual 2024/25
% overall Rent Collected	99.25%	99.50%		99.25%	100.15%
% Void loss	1.3%	1.16%		1.3%	1.28%
% Interest Cover	120%	120%		120%	122.94%
% Operating Margin	25%	26.4%		28.3%	27.17%


Rent collection exceeded targets, achieving 100.15% against a 99 % target, with benchmarking highlighting that our tenant arrears are significantly below our peers.

Void rent loss of 1.28% achieving the 1.3% target. We are continuing to embed changes in the void process to further improve performance.

Calico Homes has focussed on reducing the backlog of out of time works and improving its response to DMC and this has impacted the financial performance in 24/25, alongside the uncertain economic environment which there are some key impacts in the wider housing sector.

The EBITDA-MRI interest cover trigger is set at 120%. As at March 2025 the actual interest cover is 123% (funders target 110%). The funders target includes an “EPC C carve out” of costs incurred with increasing energy efficiency.

Objective 6 – People - To create a place where people want to work now and, in the future

STRATEGIC OBJECTIVE 6	Target 2023/24	Actual 2023/24	Achieved	Target 2024/25	Actual 2024/25
% Sickness Absence (excl Group Business Services)	3.5%	3.39%		3.5%	3.80%
Colleague Employee Net Promoter Score (eNPS)	n/a	-10	n/a	n/a	-28

Strategic Report of the Board (continued)

The Calico Homes People Plan has been revisited during 2024/25 and is currently with teams to finalise. Some highlights from the plan include:

- Building and developing teams in a structured way to enable people to deliver services to customers in line with our Customer Strategy.
- Delivery of the EDI Strategy.
- A focus on a cultural reset for performance management with clear goals, linked to corporate strategy, objectives, and outcomes.
- Building a culture of recognition which highlights the importance of recognising and appreciating contributions.
- Gap analysis against the required knowledge, skills & behaviours to be carried out as part of wider Workforce Planning to identify future skills, needs and qualifications training.
- Continuous review of structures to ensure agility and adaptable to external changes.

Further changes have been implemented in the senior leadership team in Homes including the introduction of a Director of Maintenance and Compliance, Director of Assets and a Head of Business Performance and Assurance. These roles give more focus on governance, risk management, compliance, policy implementation, and performance management.

There has been success with several colleagues completing Level 4 and 5 housing management qualifications and new colleagues starting these qualifications.

The increase in sickness absence (ex GBS) from 2023/24 was largely driven by cases in the first half of 2024/25 when there were long term work-related stress cases, additionally some acute medical condition cases in the first half of the year. Absence remains above typical levels at Homes but has improved more recently.

2025/26 VfM Future Plans

In line with the VfM Strategy, the 2023/24 Tenant Satisfaction Measures (TSM) are a key driver of Calico Homes VfM plans. Customers feedback is integral to the delivery of VfM and the quality of homes and our services are key business priorities.

In 2024/25 the priorities set by the Board support the improvement of our services with asset management and repairs remaining key priorities.

Key actions:

- Delivery of Asset Management improvement plan which includes completion of the stock condition programme by June 25 with a focus on property stock condition data and customers TSM feedback to reflect the future investment requirements
- Repairs and Maintenance - Repairs Improvement Plan – review our delivery model to improve the response and quality of our end-to-end service with a right first-time approach. This includes an improved flexible approach to repairs appointments, supported by a new digital offer
- Damp, Mould and Condensation – optimising our processes to improve our response and communications with our customers in readiness for Awaab's Law which comes into force in October 2025
- Compliance - Ensure our customers feel safe in their homes, ensuring our data is robust and we continue to deliver Health and Safety Compliance
- New Homes – commencement of Barclay Hills site in 25/26 delivering 32 new homes
- Customer Influence – embedding of a new Customer Voice Framework including inception of a Customer Experience Committee and Implementation of a new Customer Excellence Framework
- Data Insight – use of performance data to support improving business performance and customer satisfaction.
- Group Structure review – underway in the Group due to conclude in Autumn 25
- External VFM review of Ring Stones – internal review undertaken in June 25, external review of VFM planned for Q3
- 25/26 Governance review – following the external Governance review, implementation of review actions and review of Governance framework and intra-group agreement

Strategic Report of the Board (continued)

Value for Money (VfM) Metrics

The Calico Group is committed to ensuring delivery of VfM services, supporting the strategic objectives, and providing excellent services for customers and colleagues.

Calico Homes Board reviews its strategic objectives annually and recognises the delivery of VfM is integral to achieving these objectives.

The strategic report includes the 2025/26 strategic objectives and the measurable outcomes that demonstrate VfM. The Regulator's VfM metrics are reviewed by the Board on a regular basis including the annual budget setting, the 30-year financial plan and ongoing updates. An annual VfM self-assessment is taken to Calico Homes Board for consideration and from this a number of actions will be identified alongside measures which will enable us to track progress and delivery of VfM activity.

Calico Homes has compared their performance against the Regulator's VfM metrics, inclusive of prior year and current year's performance and future targets. The table below provides the comparison with the 2023/24 Regulator's Global Accounts for all housing providers and also Calico Homes chosen peer group which comprises of 10 Registered Providers inclusive of Calico Homes (Housing Providers in the Northwest with up to 6,000 homes).

The comparators organisations included are:

Registered Provider (23/24 data)	Total Stock Owned	% Supported Housing & Housing for Older People	Provider Type
Calico Homes Ltd	5,337	23.0%	Traditional
South Lakes Housing	3,383	12.0%	Traditional
Muir Group Housing Association Ltd	5,703	10.0%	Traditional
Warrington Housing Association Ltd	1,299	18.0%	Traditional
Prima Housing Group Ltd	2,677	10.0%	Traditional
Cheshire Peaks and Plains Housing Trust	5,243	20.0%	Traditional
South Liverpool Homes Ltd	3,822	3.0%	Traditional
Cobalt Housing Ltd	5,755	0%	Traditional
Arawak Walton Housing Association Ltd	1,112	13.0%	Traditional
Eden Housing Association Ltd	1,824	8.0%	Traditional

VfM Metrics		23/24 Actual	2024/25 Actual	Global Account 23/24 All providers (rank of 193)	Global Account 23/24 Peer Group (rank of 10)	25/26 Target
1	Reinvestment	10.00%	9.1%	Median (63)	Median (3)	5.0%
2A	New Supply Delivered (Social Housing units)	1.00%	1.00%	Median (119)	Upper (3)	1.80%
2B	New Supply Delivered (Non-Social Housing)	0.00%	0.00%	Median (64)	Median (3)	0.00%
3	Gearing	76.1%	76.0%	Upper (1)	Upper (1)	76.10%
4	EBITDA MRI Interest Cover	109.0%	109.5%	Median (114)	Lower (7)	108.1%
5A	Headline social housing cost per unit	£3,823	£3,995	Lower (187)	Lower (10)	£4,402
6A	Operating Margin (Social Housing Letting only)	27.6%	28.8%	Upper (35)	Upper (3)	28.6%
6B	Operating Margin	24.2%	25.3%	Upper (40)	Upper (4)	27.0%
7	Return on capital employed	4.30%	4.5%	Upper (19)	Upper (3)	4.60%

Strategic Report of the Board (continued)

Metric 1 - % Reinvestment - the reinvestment metric looks at the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.

- 2024/25 is the last year of Calico Homes' 5 year development programme. In 2024/25 Calico Homes have delivered 54 new homes with a further 93 delivered at the start of 2025/26 on the completion of Calico Homes' first Extra Care provision.
- Calico is in the median quartile compared to peers. The targeted reduction in this metric demonstrates a decision to focus on investing in existing stock in the short term. Calico Homes has invested over £4.0m in capital expenditure (total investment of £5.5m) improving customer homes and increasing energy efficiency.
- In 2025/26 Calico Homes is responding to customer priorities and includes a provision for any potential works required as a result of stock condition surveys. Calico Homes continues to invest additional resources for specific energy efficiency works targeted at moving all Calico Homes to EPC C and above levels by 2030.

Metric 2A & 2B – New Supply Delivered – The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a % of existing stock.

- New supply delivery is aligned with the Reinvestment % and as Calico Homes has reached the end of a 5 year development programme this metric has fallen into the median quartile at a national level whilst remaining in the upper quartile at a peer group level. The level of re-investment has increased slightly in 2024/25 with 56 new homes built compared to 41 in 2023/24. This will increase in 2025/26 with the completion of 93 units in Calico Homes's new Extra Care provision.
- For non-social housing although showing as median, the median is 0% with the upper quartile for the national group at 0.06% and 0.01% for the peer group.

Metric 3 – Gearing - The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

- Calico Homes has a significantly higher gearing level and remains at upper quartile levels consistent with previous years.
- The gearing level is driven by the initial stock transfer purchase and the significant development programme and re-investment in our existing homes which is demonstrated by the VfM Reinvestment metric.
- Calico Homes treasury strategy is to ensure maximisation of the existing assets which support our development programme. From 2021/22, Calico Homes has delivered 346 homes to date, with a further 235 planned by 2030 (of which 93 have already been delivered in 2026). Funds are secured with lenders on a loan to value basis.

Metric 4 – Interest Cover EBITDA MRI – The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.

- In recent years there have been additional financial challenges arising due to reducing income (rent cap in 2023/24), costs increasing above inflation (particularly property related) and rising interest rates. Demand for services has increased resulting in higher operating revenue costs alongside increased investment in assets and increased costs relating to property insurance.
- There has also been pressure on services impacting operational costs with the increased focus on damp and mould and also pressures on our labour and material supply chain in our repairs service.
- It is important to note that this metric differs from the loan funders calculation as it excludes proceeds from disposal of fixed assets. Calico Homes also has also agreed an EPC C carve out from 2023/24 to 2025/26 with its funders. From April 2026 the covenant target will move to EBITDA only.
- We recognise that aligned to this as demonstrated in VfM Metric 6, our operating surplus performance is at upper quartile levels. An increased surplus is needed to fund the interest payable mainly used to support our investment in new homes.

Strategic Report of the Board (continued)

Metric 5 – Headline Social Housing Cost per unit – The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the Regulator.

- The Headline Social Housing is lower quartile when comparing to all housing providers for 2023/24, meaning costs are lower than both the national and peer comparisons. The national median level is £5,136 and our peer comparison at a median level is £4,923.
- Key areas driving increased costs across the sector are continued investment in building safety and energy efficiency works. Calico Homes does not have any high-rise buildings and has not had any significant associated costs with building safety. Although work has commenced with delivery of the EPC C works programme, there have only been relatively low levels of work delivered in 2024/25, therefore it is difficult to directly compare for benchmarking.
- In the last three years due to the increased focus on damp and mould, together with the impact of completion of stock condition surveys, there has been increases in repair works.
- The 2024/25 Investment programme also continues to ensure Calico Homes is meeting its regulatory and strategic objectives, continuing to provide safe and decent homes for customers.

Metric 6 – Operating Margin – The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are considered.

- The operating margin has increased in 2024/25 from 27.6% to 28.80%. This is at upper quartile levels for both the national and peer comparison.
- In 2024/25 there has been an increase in turnover, mainly as a result of the rent increase and the additional new homes completed in 2023/24 and 2024/25. Whilst we have seen the impact of higher costs driven by inflation and higher interest rates, overall the operating surplus has not been impacted. The impact of the FRS102 pension adjustment has also increased the operating margin.
- The 2025/26 operating margin is expected to remain at upper quartile levels. It should be noted that the business plan does not include FRS 102 pension adjustments which can have an impact on operating margins.

Metric 7 – Return on Capital Employed - ROCE measures the efficiency of investment of capital resources.

- Calico Homes remains at upper quartile at 4.5% based 2024/25 and 2025/26 is expected to perform at a similar level. This indicates positive use of its capital resources.

Directors Remuneration and Management Costs

Calico Homes is required as part of the Transparency, Influence and Accountability Standard) to report on Directors' remuneration and management costs

Measure	2025	2024
Chief Executive remuneration per property	£29.45	£26.96
Directors remuneration per property	£123.43	£115.45
Management costs per property	£1,379	£1,370

Principal Risks and uncertainties

Calico Homes has a Risk Management Framework which is aligned to business activities and supports the achievement of corporate objectives. This framework was refreshed in May 2024 with a new Risk Appetite Statement approved in September 2024. The Board has overall responsibility for risk management at Calico Homes. Risks are considered at all levels across the business and all decisions taken by the Board or Committees consider relevant risks.

Strategic Report of the Board (continued)

The Risk Management Framework is in place to identify, evaluate and manage the significant risk. As part of the Calico Group approach to risk management, Calico Homes has in place a risk map which is reviewed by the Board on a quarterly basis. Calico Homes also reviews the risk map alongside the RSH Annual Sector Risk profile ensuring all relevant and appropriate risks to Calico Homes are included. This has resulted in a revised risk register with 12 risks. The strategic risks identified are:

- Political, Environment and Macro-Economy
- Asset Management
- Legal and Regulation
- Governance and Strategy
- Customer Service – Satisfaction, Expectation and Experience
- Quality and Integrity of Data
- Recruitment and Retention
- Cybersecurity
- Sustainability and Uneconomic Assets
- Lending Agreement and Covenants
- Group Structure
- Health & Safety

Streamlined Energy and Carbon Reporting (SECR)

As a socially responsible group of businesses, Calico Homes has a responsibility to take an active stance on the environment and show leadership across the Group creating an environmentally friendly culture.

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

	2024/25	2023/24
Energy consumption used to calculate emissions (kWh) Figures now include business mileage	6,553,785	7,031,766
Scope 1 – emissions in metric tonnes CO₂e		
Owned transport – Calico Fleet	92	137
Gas consumption	806	841
Total Scope 1 – Purchased Gas/Diesel & Petrol	898	978
Scope 2 – emissions in metric tonnes CO₂e		
Purchased electricity	355	376
Scope 3 - emissions in metric tonnes CO₂e		
Business Mileage	47	46
Total gross emissions in metric tonnes CO₂e	1,300	1,400
Intensity Ratio in metric tonnes CO₂e per property	0.24	0.26
Intensity Ratio in metric tonnes kWh per property	1,210	1,308

Quantification and Reporting Methodology:

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

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

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

Our internal carbon scopes have been broken down as:

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

Strategic Report (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

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

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

Intensity measurement:

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

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

Summary of Key Changes

- Total emissions decreased by 80.2 tonnes CO₂e, an 8.2% reduction, which is positive for both cost and environmental impact
- Gas and electricity usage both decreased, contributing to lower emissions
- Reduced fleet transport emissions (down 54.86 tonnes) although business travel increased by 4.26 tonnes, likely reflecting increased activity
- A major shift in gas emissions classification from communal areas to communal heating systems – due to more detailed statistics being used and the change in methodology
- kWh per property decreased from 1,308 to 1,210, across a slightly larger housing stock (5,377 vs 5,417 homes)
- CO₂e per property fell from 241.14 to 219.63 (a 9% reduction)

Conclusion:

Calico Homes achieved notable reductions in direct energy use and emissions but saw an increase in total gross emissions, likely due to greater travel and reporting expansion. However, emissions intensity per property improved, indicating enhanced efficiency. Continued focus on Scope 3 activities will be essential for future reductions.

Areas for focus

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

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

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

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

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

Strategic Report (continued)

Capital structure and treasury management

As at March 2025, Calico Homes had committed debt funding of £167.3m (2024: £168.3m).

Funder	Total Facility	Total Drawn as at 31/03/2025
Nationwide	£40.5m	£40.5m
NatWest	£99m	£95.3
MORhomes	£27.8m	£27.8m
Total	£167.3m	£163.6m

In 2024/25, Calico Homes borrowed an additional £10m (net of capital repayment of £1m) to bring its total borrowings to £163.6m (2024: £153.6 m). The additional borrowing was used to support the ongoing development programme.

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

The fixed rates of interest range from 2.87% to 7.64% (2023: 2.87% to 7.64%) with the weighted average rate of interest on all loans including variable being 4.96% (2024: 4.81%).

The Calico Group's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Group will ensure that it has adequate cash resources, borrowing arrangements, overdraft and revolving credit to enable it to meet its business and service objectives. The Treasury Strategy and Treasury Policy is set annually and approved by the Group Board.

The Group borrows only in sterling and does not have any currency risk. Surpluses are invested in approved UK institutions and the Board monitors investment returns. All loans are secured by fixed charges over the Group's housing properties.

The financial performance in 2024/25 satisfied all funder covenants.

Cash inflows and outflows for the year are set out in the cash flow statement. The net cash inflow from operating activities before interest costs was £15.8m (2024: £13.5m). Cash balances (bank balances and short-term investments) were £2.3m (2024: £1.2m) at the year end.

SECTION 172 (1) STATEMENT

Section 172 Statement – Calico Homes

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

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

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

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

Strategy & Decision Making

In January 2023, the Calico Homes Board reviewed and refreshed the vision and strategic objectives when agreeing the Calico Homes Corporate Plan for 2023-2025 and these have been extended for a further year to March 2026. Work is ongoing to develop a refreshed Corporate Plan for the Group and each of its subsidiaries, which is planned for completion in November 2025.

In 24/25 in response to an external review of the Calico Group Structure, Calico Homes has undertaken a comprehensive Strategic Review which included priorities, business activities and identifying where these align with Group companies priorities and geographical areas. There is a planned Group Structure Review to be undertaken in 25/26.

Strategic Report (continued)

When making decisions, the Board considers:

- the likely long-term impact of the decision;
- the interests or concerns of, and impact on, our key stakeholders and in particular, the need to consider customer impact and to ensure good outcomes for our customers;
- the impact of our decisions and operations on the communities in which we operate and the environment; and
- the need to maintain a reputation for high standards of business conduct.

Colleague Engagement

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

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

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

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

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

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

Where an employee becomes disabled, we:

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

For training and career development, we:

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

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

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

Strategic Report (continued)

Business Relationships

Regular engagement with customers has continued during the financial year as Calico Homes continues to consult with customers via the Tenant Satisfaction Measures. The Customer Complaints Scrutiny Group and Service Scrutiny Board together with feedback gathered from the Tenant Satisfaction Measures ensure that customers continue to influence our service provision. This will be enhanced in 25/26 by the introduction of a new Customer Experience Committee.

Calico Homes key regulator is the Regulator of Social Housing. In responding to the re-grading for Governance to G2 and new Consumer C2 grade, Calico Homes continues to adopt a proactive approach to managing regulatory risks and ensuring compliance with regulatory requirements.

Calico Homes works closely with a range of partners, particularly Burnley Council and Syncora care and support services, recognising where key partners are also delivering services in partnership or on behalf of Calico Homes.

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

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

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

The Calico Group has a shared common social purpose "To make a real difference to people's lives". Calico Homes activities benefit the wider society and areas we work within and support and lead a wide range of initiatives to benefit customers and the wider communities they work across.

Community & Environment

Calico remains committed to ensure that housing and support services remain focused on those in the greatest housing need, supporting those who are homeless or fleeing their homes due to abuse. Calico Homes is a key Burnley Together partner delivering an range of services including Down Town in Burnley, which provides a community kitchen, low cost food support and school uniform to Burnley residents. Calico also provides a range of community creative events and in 2024/25 these have included a Creative and Recovery event and a mural artwork project in Burnley.

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

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

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

Culture and Values

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

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

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

These are supported with a behaviours and values framework that focusing on doing the right thing, learn and grow, work together, look after yourself and others, deliver outcomes and develop relationships. The shared purpose and values ensure that Calico connects together as "One Calico". The Board and Executive have taken active steps to ensure the business strategy, people strategy and customer focussed principles, values and behaviours are embraced across the group. Calico Homes also recognises the value of lived experience in delivering essential services to customers and actively promotes and supports colleagues in bringing their experience to the work they do. In 24/25 we introduced Customer Ambassador roles helping support customers and utilising their feedback to influence and shape delivery of Calico Homes services.

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

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

Auditor

Crowe U.K. LLP were appointed as auditors in November 2021, following a tender process, for a period of 3 years with an option for a further 2 years.

This report was approved by the Board on 16 September 2025 and signed on its behalf by:

A handwritten signature in purple ink that reads "Anthony Duerden".

Anthony Duerden
Company Secretary
Date: 16 September 2025
For the year ended 31 March 2025

Independent Auditor's Report to the Members of Calico Homes Limited

Opinion

We have audited the financial statements of Calico Homes Limited for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of the charitable company's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

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

- adequate accounting records have not been kept by the charitable company, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Companies Act 2006, the Housing and Regeneration Act 2008 and other laws and regulations applicable to a registered social housing provider in England established as a charitable company. We also considered the risks of non-compliance with the other requirements imposed by the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements.

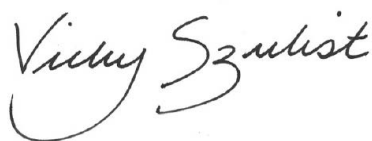
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within capitalisation of development costs and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and testing a sample of assets under the course of construction for existence and valuation.

Owing to the inherent limitation of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the 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.

A handwritten signature in black ink that reads "Vicky Szulist".

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

26th September 2025

Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	3	35,198	32,465
Operating expenditure	3	(26,287)	(24,600)
Gain on disposal of fixed assets	7	652	708
Operating surplus		9,563	8,573
Interest receivable and other income	8	180	190
Interest payable and financing costs	8	(8,331)	(7,789)
Surplus on ordinary activities before tax		1,412	974
Taxation on non-charitable activities	12	-	-
Surplus for the year after tax		1,412	974
Actuarial gain/(loss) in respect of pension schemes	10	116	(167)
Total comprehensive income for the year		1,528	807

Statement of Changes in Reserves

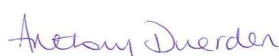
For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Income and expenditure reserve			
Balance as at 1 April		4,833	4,026
Surplus from Statement of Comprehensive Income		1,528	807
Balance at 31 March		6,361	4,833

The financial statements on pages 30 to 56 were approved and authorised for issue by the Board on 15 September 2025 and signed on its behalf by:



David Gooda
Board Member



Anthony Duerden
Company Secretary

Statement of Financial Position

As at 31 March 2025

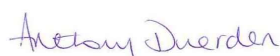
	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets	13	216,663	203,019
Intangible assets	14	182	134
Investments	15	479	479
		<hr/>	<hr/>
		217,324	203,632
		<hr/>	<hr/>
Current assets			
Stock	16	87	81
Debtors	17	2,122	2,704
Cash at bank and in hand		2,255	1,244
		<hr/>	<hr/>
		4,464	4,029
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	18	(8,563)	(6,584)
		<hr/>	<hr/>
Net current (liabilities)/assets		(4,099)	(2,555)
		<hr/>	<hr/>
Total assets less current liabilities		213,225	201,077
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	19	206,561	195,703
		<hr/>	<hr/>
Provision for liabilities			
Pension provision	10	304	541
		<hr/>	<hr/>
		206,865	196,244
		<hr/>	<hr/>
Income and expenditure reserve		6,361	4,833
		<hr/>	<hr/>
		213,226	201,077
		<hr/>	<hr/>

The notes on pages 33 to 56 form part of these financial statements.

The financial statements on pages 30 to 56 were approved and authorised for issue by the Board on 15 September 2025 and signed on its behalf by:



David Gooda
Board Member



Anthony Duerden
Company Secretary

Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash generated from operating activities	27	15,783	13,448
Cash flow from investing activities			
Interest received and other income	8	180	190
Purchasing of housing properties and improvements		(18,185)	(19,686)
Grants received		1,084	1,220
Purchase of other fixed assets	13	(122)	(184)
Purchase of intangible fixed assets	14	(124)	(29)
Proceeds of sales of housing properties	7	884	885
Net cash flow used in investing activities		(16,283)	(17,604)
Cash flow from financing activities			
Interest and financing costs paid		(8,489)	(7,666)
Loans received		11,000	11,000
Repayment of borrowings		(1,000)	-
Net cash flow from/(used in) financing activities		1,511	3,334
Net change in cash and cash equivalents		1,011	(822)
Cash and cash equivalents at beginning of the year		1,244	2,066
Cash and cash equivalents at end of the year		2,255	1,244

The notes on pages 33 to 56 form part of these financial statements.

Notes to the Financial Statements

1. Legal Status

The Company is registered with the Charity Commission and registered with the Regulator of Social Housing ("RSH") as a registered provider of social housing. The private company is limited by guarantee and incorporated in England & Wales. The registered office and principal place of business is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

2. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with UK Accounting Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the 'Statement of Recommended Practice for registered housing providers' (Housing SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, and under the historical cost convention, modified to include certain financial instruments at fair value.

They are presented in sterling £'000 for the year ended 31 March 2025.

The company meets the definition of a public benefit entity ("PBE").

Going concern

The Board is confident that Calico Homes remains a going concern for the following key reasons:

- Preparation of detailed financial forecasts and business plans, which demonstrate that the organisation has sufficient cash and is able to continue to meet the financial covenants within the loan facilities.
- Sensitivity analysis and stress testing analysis has been performed which demonstrates that there are sufficient funds available to meet the increased cost of bad debts, which could arise where tenants' and customers' financial circumstances are adversely impacted by the pandemic. The Board monitors all debtors closely.
- Calico Homes has in place an undrawn revolving credit facility, commitment of future Homes England development grants and generates positive cash from core operations. These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Company's day to day operations.

After making enquiries, the Board are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. There was a surplus of £1.5m (2024: £0.8m) and net assets of £6.4m (2024: £4.8), which includes £0.304m (2024: £0.541m) provision for the SHPS defined benefit scheme liability. At 31 March 2025 the Statement of Financial Position records a net current liabilities position of £3.68m (2024: £2.56m). The treasury management policy in place requires the draw down of funds take place only as required or as liabilities fall due for payment. Included in current liabilities is a £1m (2024: £nil) capital loan repayment which is due to be repaid on 31 March 2026. The board confirm that the net current liabilities position at 31 March 2025 is in line with the 30 year business plan and does not indicate a change to the going concern basis on which the financial statements have been prepared. Therefore, the Company continues to adopt the going concern basis in the financial statements.

Basis of consolidation

The financial statements of the Company are consolidated in the financial statements of The Calico Group Limited. The consolidated financial statements of The Calico Group Limited are available from the registered office, Centenary Court, Croft Street, Burnley Lancashire, BB11 2ED.

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

- **Development expenditure.** The company capitalises development expenditure in accordance with the accounting policy described on page 31. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- **Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, management has considered if the asset is held for social benefit or to earn commercial rentals and has determined that there are no investment properties.
- **Pension and other post-employment benefits.** The cost of defined benefit contributions and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit ("CGU") is recognised by a charge to the Statement of Comprehensive Income. Factors taken into consideration as part of assessing triggers include the economic viability and expected future financial performance of the assets. Impairment is recognised where the carrying value of a CGU exceeds the higher of its net realisable value or its value in use. A CGU is normally a group of properties at scheme level whose cash income can be separately identified.
- Following a trigger for impairment, the Group performs impairment tests based on fair value costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in arm's length transaction or similar CGUs or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on a depreciated replacement cost based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential as the existing property.

Other key sources of estimation and assumptions:

- **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Intangible fixed assets**
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 33%

Turnover and revenue recognition

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

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Turnover is stated exclusive of Value Added Tax ("VAT") and a summary can be found in note 3 to the financial statements.

Service charges

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

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

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Loan interest payable

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

Loan finance issue costs

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

Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted by the reporting date. The charitable status provides the company with corporation tax exemption for its primary purpose and ancillary income streams.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

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

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

Value Added Tax ("VAT")

The Company charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable.

Tangible fixed assets and depreciation

Social housing properties

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

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

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

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of completion of the scheme and only when development activity is completed.

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

Supported housing managed by agencies

Where Calico Homes holds the support contract with the Local Authority and carries the financial risk, the entire project's income is included in the Company's Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Depreciation – Social housing properties

Freehold land is not depreciated.

Where a social housing property comprises two or more major components with substantially different Useful Economic Lives ("UELS"), each component is accounted for separately and depreciated over its individual useful economic life, on the basis of original cost, less the proportion of SHG and other grants attributable to the component. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred and any remaining net book value relating to the original component is written off to the Statement of Comprehensive Income in the year it is disposed of.

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

The company depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Major components and their UELs are as follows:

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

Low-cost home ownership properties

Low-cost home ownership properties which remain unsold at the accounting date are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche portion is accounted for as a current asset and the sales proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a tangible fixed asset and subsequent sales treated as sales of fixed assets in operating profit.

Depreciation – Other tangible fixed assets

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

- Freehold property 75 years
- Leasehold properties 75 years or the term of the lease (whichever is lower)
- Furniture, fixtures and fittings 10-33%
- Computers and office equipment 20-33%

Leased assets

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

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

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

Stock

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

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Bad Debts and Write-Offs

Bad debts will be charged to the Statement of Comprehensive Income in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the balance sheet date.

In respect of rental debtors' provision is made on the following basis:

- (a) Current tenants at varying percentages dependant on value of the debt based on a bespoke calculation using the current tenant arrears.
- (b) Former tenants at 100% of the debt.

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

Social Housing and other government grants

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

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

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

Recycling of Capital Grant

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

Holiday pay accrual

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

Pensions

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

The Company also 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 net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the company's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Further details of the assumptions and the defined benefit pension plan is in note 10.

Financial instruments

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

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

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in paragraph 11.8(c) of FRS 102 are measured at cost less impairment.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Financial instruments held by the Company are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value
- Fixed asset investments such as ordinary shares and fixed rate unsecured convertible loan notes are held at fair value
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value

Loans

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

Impairment of financial assets

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

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

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

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

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

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

Notes to the Financial Statements (continued)

3. Turnover, operating expenditure and operating surplus

Continuing activities

	2025	2025	2025	2024	2024	2024
	Turnover	Operating expenditure	Operating surplus/ (deficit)	Turnover	Operating expenditure	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings [A]	30,947	(22,045)	8,902	28,424	(20,580)	7,844
Other social housing activities:						
Support services	629	(642)	(13)	595	(595)	-
Non-social housing [B]	3,622	(3,600)	22	3,446	(3,425)	21
	<u>35,198</u>	<u>(26,287)</u>	<u>8,911</u>	<u>32,465</u>	<u>(24,600)</u>	<u>7,865</u>

A. Particulars of income and expenditure from social housing lettings

	General Housing £'000	Sheltered Housing £'000	2025 Total £'000	2024 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and net of voids	21,303	7,920	29,223	26,959
Service charges receivable	969	361	1,330	1,093
Amortised government grants	287	107	394	372
Turnover from social housing lettings	<u>22,559</u>	<u>8,388</u>	<u>30,947</u>	<u>28,424</u>
Expenditure on social housing lettings				
Management	(5,436)	(2,022)	(7,458)	(7,361)
Service charge costs	(574)	(805)	(1,379)	(1,414)
Routine Maintenance	(3,099)	(1,152)	(4,251)	(3,801)
Planned Maintenance	(1,304)	(484)	(1,788)	(1,549)
Major repairs expenditure	(1,137)	(423)	(1,560)	(1,207)
Community Involvement	(352)	(131)	(483)	(508)
Bad debts	(185)	(69)	(254)	(101)
Depreciation of housing properties	(3,242)	(1,205)	(4,447)	(4,189)
Impairment of housing properties	-	-	-	-
Other costs	(310)	(115)	(425)	(450)
Operating costs on social housing lettings	<u>(15,639)</u>	<u>(6,406)</u>	<u>(22,045)</u>	<u>(20,580)</u>
Operating surplus on social housing lettings	<u>6,920</u>	<u>1,982</u>	<u>8,902</u>	<u>7,844</u>
Void loss	<u>(287)</u>	<u>(107)</u>	<u>(394)</u>	<u>(339)</u>

Notes to the Financial Statements (continued)

3. Turnover, operating costs and operating surplus (continued)

B. Non-social housing activities

			2025	2024
	Turnover	Operating	Operating	Operating
	£'000	Costs	surplus/	surplus/
		£'000	(deficit)	(deficit)
			£'000	£'000
Market Lettings	94	(9)	85	43
Barley View Care Home	1,460	(1,472)	(12)	(61)
Charitable donation	204	-	204	170
Other*	1,864	(2,120)	(256)	(131)
	<u>3,622</u>	<u>(3,601)</u>	<u>21</u>	<u>21</u>

* Included in Other are recharges of office costs to group companies of £1,815k (2024:£1,655k) (note 28).

4. Accommodation owned, managed and in development

	At 31/03/2024	Additions	Disposals	Other	At 31/03/2025
UNITS OWNED					
Social Housing:					
General needs housing social rent	2,928	-	(13)	1	2,916
General needs housing affordable rent	964	54	(1)	(5)	1,012
Supported housing social rent	1,203	1	-	(1)	1,203
Supported housing affordable rent	240	1	(2)	5	244
Low-cost home ownership	2	-	-	-	2
	<u>5,337</u>	<u>56</u>	<u>(16)</u>	<u>-</u>	<u>5,377</u>
Non-Social Housing:					
Market rented	12	-	-	-	12
Registered Care Homes	28	-	-	-	28
	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>
UNITS MANAGED					
Managed units* - General needs	<u>19</u>				<u>-</u>
UNDER DEVELOPMENT					
General needs housing affordable rent	48				2
Supported housing	93				93
	<u>141</u>				<u>95</u>

* Properties managed for Burnley Borough Council and Rossendale Borough Council are their Empty Homes programme properties which we let and manage on their behalf which ceased during the year.

Notes to the Financial Statements (continued)

5. Accommodation managed by others

The company owns property managed by fellow subsidiaries.

	2025	2024
	No. of units	No. of units
Supported housing	225	227

6. Operating surplus

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

	Note	2025	2024
		£'000	£'000
(Surplus) on sale of fixed assets	7	652	(708)
Depreciation of housing properties	13	4,447	4,189
Depreciation of other tangible fixed assets	13	349	334
Amortisation of intangible fixed assets	14	76	109
Amortisation of government grants	3	(394)	(372)
Operating lease rentals – land and buildings		343	469
Operating lease rentals – other		329	303
Auditor's remuneration (excluding VAT):			
- for audit services		54	43
- taxation compliance services		11	4
- service charge certification		-	2
- Other services		-	6

7. Surplus on sale of fixed housing assets

	Right to Buy Sales	Others	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Disposal proceeds	884	-	884	885
Carrying value of fixed assets	(217)	(15)	(232)	(177)
Surplus/(deficit) on disposal	667	(15)	652	708

Disposal proceeds represent the net receipt for sale of properties in accordance with the sharing agreement with Burnley Borough Council and proceeds from other sales.

Notes to the Financial Statements (continued)

8. Net interest

	2025 £'000	2024 £'000
Interest receivable and similar income		
Interest receivable and similar income	180	190
	<hr/>	<hr/>
Interest payable and financing costs		
Loans and bank overdrafts	8,339	7,632
Adjustment for effective interest rate	219	142
Pensions – net interest on pension deficit	137	134
	<hr/>	<hr/>
	8,695	7,908
Less: interest capitalised on housing properties under construction	(364)	(119)
	<hr/>	<hr/>
	8,331	7,789
	<hr/>	<hr/>

The interest rate of 4.81% (2024: 4.62%) was used for capitalising finance costs.

9. Employees

Average monthly number of employees	2025 No.	2024 No.
Administration	82	82
Housing and community services	197	234
Total	<hr/> 279	<hr/> 316
	<hr/>	<hr/>
Full time equivalents (36.25 hours/week)	275	286
	<hr/>	<hr/>
	2025 £'000	2024 £'000
Employee costs:		
Wages and salaries (gross)	9,499	8,806
Social security costs	940	848
Redundancy		39
Other pension costs	472	424
Pension adjustment to Income and Expenditure Accounts	(145)	(138)
	<hr/> 10,766	<hr/> 9,979
	<hr/>	<hr/>

Pension obligations

The Company participates in the Social Housing Pension Scheme ("SHPS") and operates a stakeholder pension scheme.

During the year, the SHPS DB administration cost was £4k (2024: £4k) in respect of the scheme expenses.

Notes to the Financial Statements (continued)

9. Employees (continued)

Aggregate number of full-time equivalent staff whose remuneration (basic salary, benefits in kind, employer's pension contributions and compensation for loss of office) exceeded £60,000 in the period:

	2025 No.	2024 No.
£60,000 to £70,000	10	4
£70,000 to £80,000	1	5
£80,000 to £90,000	2	1
£90,000 to £100,000	-	2
£100,000 to £110,000	3	5
£110,000 to £120,000	2	-
£120,000 to £130,000	1	-
£130,000 to £140,000	-	-
£140,000 to £150,000	-	1
£150,000 to £160,000	1	1
£160,000 to £170,000	1	-

10. Pensions

Social Housing Pension Scheme ("SHPS")

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

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	2,238	2,250
Present value of defined benefit obligation	2,542	2,791
Surplus (deficit) in plan	(304)	(541)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(304)	(541)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(304)	(541)

Notes to the Financial Statements (continued)

10. Pensions (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	Period from 31 March 2024 to 31 March 2025 (£000s)
Defined benefit obligation at start of period	2,791
Current service cost	-
Expenses	4
Interest expense	137
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	125
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(470)
Benefits paid and expenses	(45)
Defined benefit obligation at end of period	2,542

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	Period from 31 March 2024 to 31 March 2025 (£000s)
Fair value of plan assets at start of period	2,250
Interest income	113
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(229)
Contributions by the employer	149
Contributions by plan participants	-
Benefits paid and expenses	(45)
Fair value of plan assets at end of period	2,238

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £116k (2024: £145k).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)	From 31 March 2024 to 31 March 2025 (£000s)
Current service cost	-
Expenses	4
Net interest expense	24
Defined benefit costs recognised in statement of comprehensive income (SoCI)	28

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	From 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(229)
Experience gains and losses arising on the plan liabilities - gain (loss)	(125)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	470
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	116
Total amount recognised in other comprehensive income - gain (loss)	116

Notes to the Financial Statements (continued)

10. Pensions (continued)

ASSETS	31 March 2025 (£000s)	31 March 2024 (£000s)
Global Equity	251	224
Absolute Return	-	88
Distressed Opportunities	-	79
Credit Relative Value	-	74
Alternative Risk Premia	-	71
Liquid Alternatives	415	-
Emerging Markets Debt	-	29
Risk Sharing	-	132
Insurance-Linked Securities	7	12
Property	112	90
Infrastructure	-	227
Private Debt/Equity	2	91
Real Assets	268	-
Opportunistic Illiquid Credit	-	88
Private Credit	274	-
Credit	86	-
Investment Grade Credit	69	-
Cash	30	44
Long Lease Property	1	15
Secured Income	37	67
Liability Driven Investment	677	916
Currency Hedging	4	(1)
Net Current Assets	5	4
Total assets	2,238	2,250

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

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

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

	Life expectancy at Age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

Notes to the Financial Statements (continued)

11. Board members and executive officers

	2025	2024
	£'000	£'000
The aggregate emoluments paid to or receivable by non-executive Directors	41	35
The aggregate emoluments paid to or receivable by executive officers	560	525
The aggregate compensation paid to or receivable by executive officers	-	30
The emoluments paid to the highest paid executive officer (excluding pension)	159	145
The aggregate pensions costs for executive officers	46	45
Total key management personnel remuneration	602	560

The Chair received £6,552 and all other Board members £4,368 each. Expenses paid during the year in respect of Board members amounted to £291 (2024: £126).

The Board members and executive officers (the key management personnel) are those as listed on page 1.

The Chief Executive, who is the highest paid executive officer, has been a member of the SHPS defined contribution scheme since 1 April 2018. He is an ordinary member of the pension scheme and no enhanced or special terms apply to which the company contributed £12k (2024: £11k) during the year. The company does not make any further contribution to an individual pension arrangement for the Chief Executive.

12. Taxation on non-charitable activities

As a charity Calico Homes Limited is not liable to tax on its ordinary charitable activities. One element of their operation includes property sales which are deemed by HMRC to be non-charitable. Therefore, a tax provision on the surplus/(deficit) has been provided at the relevant corporation tax rate.

	2025	2024
	£'000	£'000
UK Corporation Tax charge for the year	-	-
Total tax charge	-	-
<i>Factors affecting tax charge for period:</i>		
Surplus on ordinary activities before tax	1,412	974
Surplus on ordinary activities at standard rate 25% (2024: 25%)	353	244
Effect of charitable income and expenditure not subject to tax	(369)	(244)
Adjustments to brought forward value	16	-
Current tax charge for year	-	-

Notes to the Financial Statements (continued)

13. Tangible fixed assets

	----- Housing Properties -----				-----Other Fixed Assets-----			
	Social housing properties for letting completed	Social housing properties for letting under construction	Shared ownership properties completed	Total housing properties	Freehold offices	Furniture and office equipment	Total other fixed assets	Total fixed assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At start of the year	220,231	17,541	194	237,966	5,878	1,339	7,217	245,183
Additions	-	14,504	-	14,504	5	117	122	14,626
Works to existing properties acquired	4,045	-	-	4,045	-	-	-	4,045
Schemes completed	9,504	(9,504)	-	-	-	-	-	-
Disposals	(724)	-	-	(724)	(27)	-	(27)	(751)
At end of the year	233,056	22,541	194	255,791	5,856	1,456	7,312	263,103
Depreciation and impairment								
At start of the year	40,495	-	19	40,514	1,004	645	1,649	42,163
Charge for the year	4,445	-	2	4,447	169	180	349	4,796
Impairment	-	-	-	-	-	-	-	-
Disposals	(507)	-	-	(507)	(12)	-	(12)	(519)
At end of the year	44,433	-	21	44,454	1,161	825	1,985	46,440
Net book value at the 31 March 2025	188,623	22,541	173	211,337	4,695	631	5,326	216,663
Net book value at the 31 March 2024	179,736	17,541	175	197,451	4,874	694	5,568	203,019

Notes to the Financial Statements (continued)

13. Tangible fixed assets – properties (continued)

Housing properties comprise:

	2025 £'000	2024 £'000
Freehold land and buildings	119,751	110,531
Long leasehold land and buildings	69,045	69,379
Properties under construction	22,541	17,541
	<u>211,337</u>	<u>197,451</u>

Major works to existing properties in the year:

Works capitalised	4,045	3,590
Amounts charged to expenditure (note 3)	1,560	1,207
	<u>5,605</u>	<u>4,797</u>

Included within major works is £635k (2024: £389k) in respect of EPC "C" works.

Aggregate amount of interest and finance costs included in the cost of housing properties (note 8)

	3,188	2,824
--	-------	-------

The capitalisation rate used was 4.81% (2024: 4.62%)

Cost of properties includes £736k (2024: £213k) for direct administrative costs capitalised during the year.

The completed housing properties with net book value £114,514k (2024: £120,956k) are secured against the debt detailed in Note 20.

14. Intangible Fixed Assets

	2025 £'000	2024 £'000
Computer software and licences		
Cost		
At start of year	534	1,999
Additions	124	29
Disposals	-	(1,494)
At end of year	<u>658</u>	<u>534</u>
Amortisation		
At start of year	400	1,785
Charge for year	76	109
Disposals	-	(1,494)
	<u>476</u>	<u>400</u>
Net book value		
At 31 March 2024	134	214
At 31 March 2025	<u>182</u>	<u>134</u>

Notes to the Financial Statements (continued)

15. Fixed Asset Investments

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

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

16. Stock and work in progress

	2025	2024
	£'000	£'000
Raw materials and consumables	87	81
	<u>87</u>	<u>81</u>

17. Debtors

	2025	2024
	£'000	£'000
Due within one year:		
Rent and service charges receivable	1,446	1,848
Less: Provision for bad and doubtful debts	(773)	(838)
	<u>673</u>	<u>1,010</u>
Other debtors	1,041	1,101
Less: Provision for bad and doubtful debts	(501)	(568)
Prepayments and accrued income	787	761
Intercompany balance	122	400
	<u>2,122</u>	<u>2,704</u>

Notes to the Financial Statements (continued)

18. Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Trade creditors	593	611
Rent and service charges received in advance	832	699
Debt (Note 20)	1,000	1,000
Others creditors	1,409	132
Accruals and deferred income	2,042	1,489
Other taxation and social security	227	202
RTB proceeds due to Burnley Borough Council	152	167
Intercompany balances	1,886	1,889
Deferred capital grant (Note 21)	422	395
	<u>8,563</u>	<u>6,584</u>

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

	2025	2024
	£'000	£'000
Debt (Note 20)*	161,814	151,491
Deferred capital grant (Note 21)	42,875	42,235
Recycled capital grant (Note 22)	66	41
Leaseholder sinking funds	51	46
Loan Premium	1,755	1,890
	<u>206,561</u>	<u>195,703</u>

* Debt is secured by housing properties. See note 20.

Notes to the Financial Statements (continued)

20. Debt analysis

	2025 £'000	2024 £'000
Due after more than one year:		
Bank loans	162,814	152,491
Debt is repayable as follows:		
Within one year	1,000	1,000
Between two to five years	8,450	6,500
After five years	153,364	144,991

The Company borrows from the NatWest and Nationwide, at both fixed and floating rates of interest. In March 2021, the company obtained new funding £27.8m from MORhomes PLC at a fixed rate. The Company currently has 82.3% (2024: 90.0%) of its borrowings at fixed rates. The undrawn loan facility as at 31 March 2025 was £3.7m (2024: £ 14.7m).

The fixed rates of interest range from 2.87% to 7.64% (2024: 2.87% to 7.64%) with the weighted average rate of interest on all loans including variable being 4.96% (2024: 4.81%). Variable rate loans have their rate linked to LIBOR.

Break costs

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

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

Value date	Maturity date	Lender	Type	Amount £'000	Rate including margin at 31/03/25 %
13/10/2008	13/10/2038	Nationwide	RPI cap/collar	3,000	7.67

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

The bank loans are secured by a fixed and floating charge over the housing properties of the Company held on behalf of the Funders by M&G Trustee Company Limited. The loans are repayable in agreed stages from 2018 onwards. The break costs are considered to be the fair value of the loans.

Notes to the Financial Statements (continued)

21. Deferred capital grant

	2025 £'000	2024 £'000
At start of year	42,630	41,144
Grant received in the year	1,060	1,858
Released to income in the year	(393)	(372)
Transfer from/(to) RCGF	(24)	-
At the end of the year	43,273	42,630
Amount due to be released within one year (Note 18)	422	395
Amount due to be released after one year (Note 19)	42,851	42,235
	43,273	42,630

The gross amount of grant received prior to amortisation as at 31 March 2025 was £46,703k (2024: £45,463k).

22. Recycled capital grant fund

	2025 £'000	2024 £'000
Balance brought forward at 1 April 2023	41	40
Grants recycled	24	-
Notional interest	1	1
Transfer (to)/from Deferred Capital Grant	-	-
Carried forward at 31 March 2024	66	41

The balance on the Recycled capital grant fund ("RCGF") is allocated to a development scheme under construction.

23. Capital commitments

Capital expenditure commitments were as follows:

	2025 £'000	2024 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	572	11,501
Expenditure approved by the Board, but not contracted	-	3,400
	572	14,901

These are to be funded out of undrawn loan facilities of £13.7m (2024: £14.7m) and estimated grants of £1.511m (2024: £3.5m) and relate to potential property developments.

Notes to the Financial Statements (continued)

24. Operating leases

Operating leases

The future minimum lease payments which the Company is committed to make under operating leases are as follows:

	2025 £'000	2024 £'000
Land and buildings:		
• Within one year	255	322
• Two to five years	260	564
• Over five years	-	-
	<u>515</u>	<u>886</u>
Other leases:		
• Within one year	267	330
• Two to five years	180	412
	<u>447</u>	<u>742</u>

25. Analysis of changes in net debt

	At beginning of the Year £'000	Cash Flows £'000	Other Changes £'000	At end of the Year £'000
Cash and Cash Equivalents	1,244	1,011	-	2,255
Debt due within one year	(1,000)	-	-	(1,000)
Debt due after one year	(151,491)	(10,000)	(323)	(161,814)
	<u>(151,247)</u>	<u>(8,989)</u>	<u>(323)</u>	<u>(160,559)</u>

Notes to the Financial Statements (continued)

26. Control

The Calico Group Limited (Company No. 08747100), a company incorporated in United Kingdom, is the immediate parent and ultimate controlling party. The Calico Group comprises a number of innovative charities and businesses, working together to create social profit.

The consolidated accounts of The Calico Group Limited are available from its registered office:

- Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

27. Reconciliation of surplus to net cash generated from operating activities

	2025 £'000	2024 £'000
Surplus for the year	1,412	974
Adjustments for non-cash items:		
Depreciation of housing properties	4,447	4,189
Depreciation of other tangible fixed assets	349	334
Amortisation of intangible fixed assets	76	109
Amortisation of government grants	(394)	(372)
Pensions adjustment	(121)	(117)
(Profit)/loss on sale of fixed assets	(652)	(708)
Working capital movements:		
Decrease/(Increase) in stock	(6)	27
Decrease/(Increase) in debtors	511	726
(Decrease)/Increase in creditors	2,010	687
Adjustments for investing or financing activities:		
Interest payable and financing costs	8,331	7,789
Interest receivable and other income	(180)	(190)
Net cash generated from operating activities	<u>15,783</u>	<u>13,448</u>

Notes to the Financial Statements (continued)

28. Related parties

William Lacey and Sarah Roberts are members of both Calico Homes and Calico Group Boards.

Tenant members

The tenant Board members at 31 March 2025 have tenancies on normal commercial terms with combined rent payable of £5,809 (2024: £5,280).

At 31 March 2025, there were no outstanding amounts (2024: £Nil).

Hobstones Homes Limited ("Hobstones"), a fellow subsidiary of Group

During the year, Hobstones was contracted to deliver our major development programme listed below:

	Mar-25 £'000	Mar-24 £'000
• New house building	12,215	12,474

During the year, the company recharged office costs to Hobstones totalling £118k (2024: £181k) and Hobstones provided a charitable donation to the company of £204k (2024: £170k).

At 31 March 2025, the company owed to Hobstones £1,142k (2024: £1,001k).

The Calico Group Limited ("Group"), the parent company

During the year, the Group recharged office costs amounting to £19k (2024: £18k).

At 31 March 2025, the company owed to Group £81k (2024: £29k).

Ring Stones Maintenance and Construction Limited ("Ring Stones"), a subsidiary of Group

During the year, Ring Stones carried out part of the major works programme for Calico Homes, below is a list of the work programmes and the values involved:

	Mar-24 £'000	Mar-24 £'000
• Various Investment works	2,807	1,038
• Externals	1,047	894
• Heating	150	479
• Roofing	911	1,479
• Damp proofing	450	514
• Empty Homes refurbishment	382	1,065
	5,747	5,469

During the year, the company recharged office costs to Ring Stones totalling £773k (2024: £721k).

At 31 March 2025, the company owed to Ring Stones £567k (2024: £741k).

Syncora Limited ("Syncora"), a fellow subsidiary of Group

During the year, the company recharged office costs to Syncora totalling £81k (2024: £101k).

At 31 March 2025, the company was owed by Syncora £24k (2024: the company owed to Syncora £1k)

Syncora Care Limited ("Syncora Care"), a subsidiary of Syncora

During the year, there were no transactions (2024: £Nil).

At 31 March 2025, the company owed to Syncora Care £nil (2024: £2k)

Calico Enterprise Limited ("Enterprise"), a subsidiary of Syncora

During the year, the company recharged office and property rental costs to Enterprise totalling £675k (2024: £463k) and Enterprise charged £118k (2024: £663k) for cleaning, training, apprenticeships and furniture.

At 31 March 2025, the company owed to Enterprise £5k (2024: £116k).

Notes to the Financial Statements (continued)

28. Related parties (continued)

Acorn Recovery Projects ("Acorn"), a subsidiary of Syncora

During the year, the company recharged rents and office costs to Acorn totalling £310k (2024: £313k).

At 31 March 2025, Acorn owed the company £96k (2024: £237k).

Safenet Domestic Abuse Service ("Safenet"), a subsidiary of Syncora

During the year, the company recharged rents and office costs to Safenet totalling £715k (2024: £608k).

At 31 March 2025, Safenet owed the company £57k (2024: £34k).

Delphi Medical Limited ("Delphi"), a subsidiary of Acorn

During the year, the company recharged office costs to Delphi totalling £271k (2024: £nil)

On 31 March 2025 Delphi acquired the trade and assets of DMC.

At 31 March 2025, Delphi owed the company £31k (2024: £64k).

Delphi Medical Consultants Limited ("DMC"), a subsidiary of Acorn

During the year, the company recharged office costs to DMC totalling £nil (2024: £184k).

On 31 March 2025 the trade and assets of DMC were acquired by Delphi including amounts owed to the company

At 31 March 2025, DMC owed the company £nil (2024: £65k).

29. Contingent liability

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

30. Subsequent events

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

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

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



Crowe U.K. LLP
3rd Floor
St Georges House
56 Peter Street
Manchester
M2 3NQ

Dear Crowe,

We provide this letter in connection with your audit of the financial statements of Calico Homes Limited for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the entity as at 31 March 2025 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made on the basis of sufficient enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation and that, to the best of our knowledge and belief, we can properly make each of these representations to you. If completion of the audit is delayed, we authorise Chloe Christian, Executive Director of Finance, to provide an update to all representations sought.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.
2. We acknowledge as trustees our responsibility for making accurate representations to you.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and errors, and we believe we have appropriately fulfilled those responsibilities
4. We confirm that we have received confirmation from each director who was a director at the time of the approval of the financial statements that:
 - a. they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information; and,
 - b. that so far as they are aware there is no relevant audit information of which you are unaware.
5. We have provided you with all accounting records and relevant information and granted you unrestricted access to persons within the entity, for the purposes of your audit.
6. All the transactions undertaken by the entity have been properly reflected and recorded in the accounting records or other information provided to you.



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7. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting standards.
8. We reaffirm that the written representations previously made with respect to the prior period remain appropriate.
9. We are not aware of any actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements.
10. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
11. Other than those matters already disclosed, there have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly.
12. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
13. We are not aware of any fraud or suspected fraud affecting the entity involving those charged with governance, management or other employees who have a significant role in internal control or who could have a material effect on the financial statements.
14. We are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, which would have an impact on the entity's financial statements.
15. We are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the entity conducts its business.
16. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties.
17. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with applicable accounting standards and with the recommendations of the applicable Housing SORP.
18. The company meets its day to day working capital requirements through the nature of its business model and secured loan and revolving credit facilities. The directors have prepared projected cash flow information for a period of at least twelve months from the date of their approval of the financial statements. On the basis of this cash flow information, the directors consider that the company will continue to operate.

Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Gooda', followed by a period.

David Gooda
Board Member
Signed on behalf of the board

Date: 15/9/2025