

RING
STONES

REPORT AND
FINANCIAL
STATEMENTS
FIFTEEN MONTH PERIOD
ENDED 31 MARCH 2015



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PARTNERSHIP INFORMATION

Designated members

The designated members during the period ended 31 March 2015 were:

Calico JV Limited
Herbert T Forrest Limited

Management Board

The members of the board who held office during the period ended 31 March 2015 were:

Anthony Duerden	appointed 26 July 2012
Ed Barber	appointed 26 July 2012
Tracy Woods	appointed 01 January 2015
Helen Thompson	appointed 01 September 2014
Caroline Stubley	appointed 26 July 2012
	resigned 09 January 2015
Lee McCarren	appointed 26 July 2012
	resigned 28 August 2015
Andrew Falconer	appointed 26 July 2012
	resigned 28 August 2015
Matthew Farrimond	appointed 01 January 2015
	resigned 28 August 2015

Executive Officers

Managing Director Mark Cutler

Registered Office

Centenary Court
Croft Street
Burnley
BB11 2ED

Registered Number Registration No: OC377235

External Auditor

Beever and Struthers
St Georges House
215 Chester Road
Manchester
M15 4JE

Solicitors

Forbes Solicitors
73 Northgate
Blackburn
BB2 1AA

Bankers

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

MEMBERS' REPORT

The Management Board ('the Board') presents its report and the audited financial statements of Ring Stones Maintenance and Construction LLP ('Ring Stones') for the period from 01 January 2014 to 31 March 2015.

Management Board and executive officers

The present board members and the executive officer of the partnership together with details of the changes which have occurred up to the date of approval of this report by the Board are set out on page 1. The senior officer acts as an executive within the authority delegated by the Board.

Principal activities

Ring Stones Maintenance and Construction LLP were incorporated on 26 July 2012 and started trading on 1 September 2012. The principal activity of the partnership is the provision of building maintenance and construction services.

A fifteen month accounting period has been adopted to ensure that our financial year end is in line with The Calico Group.

Review of the Business

Calico Homes recognised that securing a strong reliable supply chain which would help regenerate Burnley, bringing local sustainable employment and apprenticeships, was a key to its success. As a result, following an EU Compliant process, Herbert T Forrest Limited was chosen as a partner to help it realise its ambitions. This partnership resulted in the formation of Ring Stones which started trading on 1 September 2012.

The level of business remains buoyant, and the period-end financial position is considered to be good.

The members anticipate that the present level of activity will be maintained for the foreseeable future, and hope to see a further increase in the volume of sales before the next period-end.

Principal risks and uncertainties

A significant level of our activity is generated from Registered Providers of Housing which could be impacted by legislation or changes in spending priorities resulting from Housing Benefit reform. The partnership will continue to periodically assess the impact of new government initiatives and ensure these are considered in its future plans and forecasts.

The partnership may face pricing competition from smaller organisations, so ensuring that it remains price competitive, by driving out operational efficiencies and providing high quality services is essential in order to mitigate this risk.

Key performance indicators

The business uses a number of key performance indicators (KPI's) to measure its financial performance of its operations. These KPIs include turnover and margin performance of contracts against budgets, profitability and cash flow performance. In addition to financial performance the business operates a suite of operational KPI's regarding resident satisfaction, environmental and waste utilisation, employee and training indicators along with the monitoring of Health & Safety and quality bench marks.

MEMBERS' REPORT (CONTINUED)

Results for the period ended 31 March 2015 and allocation to members

The profit for the period ended 31 March 2015 before members' remuneration was £575,000. This will be allocated to the partners with 51% to Calico JV Limited and 49% to Herbert T Forrest Limited.

Member's drawings

The profits to the designated members will be paid when sufficient cash reserves are available to the business to ensure its continued operations without recourse to other forms of funding.

Designated members

The designated members during the period ended 31 March 2015 were:

Calico JV Limited
Herbert T Forrest Limited

The development and implementation of policies, strategy, direction and management is the responsibility of the Management Board set out on page 1.

Statement as to disclosure of information to auditor

The members 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 auditor is unaware. Each of the Members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Members' responsibilities in the preparation of the report and financial statements

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial period. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

These responsibilities are exercised by the designated members of the Limited Liability Partnership.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RING STONES MAINTENANCE AND CONSTRUCTION LLP

We have audited the financial statements of Ring Stones Maintenance and Construction Limited for the period ended 31 March 2015 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) "UK GAAP".

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

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's ("FRC's") Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit is provided on the FRC's website at

www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with UK GAAP; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial period ended 31 March 2015 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

Date

PROFIT AND LOSS ACCOUNT

	Note	For the 15 month period ended 31 March 2015	For the 17 month period ended 31 December 2013
		£'000	£'000
Turnover		9,248	6,573
Cost of Sales		7,956	5,841
Gross Profit		<u>1,292</u>	<u>732</u>
Operating costs in relation to trading		711	323
Exceptional items – Start up costs			140
Operating Profit	2	<u>581</u>	<u>269</u>
Interest payable and similar charges		6	6
Profit for the period before taxation and members remuneration and profit share.		<u>575</u>	<u>263</u>
Members remuneration charges as an expense	3	575	263
Retained profit for the period available for division among members		<u>-</u>	<u>-</u>

All amounts relate to continuing activities. There were no recognised gains and losses other than those included in the profit and loss account.

The notes on page 7 to 10 form part of these accounts.

BALANCE SHEET

	Note	31 March 2015 £'000	31 December 2013 £'000
Fixed Assets			
Tangible fixed assets	5	80	34
		80	34
Current Assets			
Debtors	6	1,352	708
Cash at bank and in hand		240	110
		1,592	818
Creditors: Amounts falling due within one year	7	1,535	589
Net Current Assets		57	229
Total assets less current liabilities		137	263
Creditors: Amounts falling due after more than one year	8		
Net assets attributable to members		137	263
Represented by:			
Total members interests			
Amounts due from members	13		
Loans and other debts due to members	13	137	263
Members other interests	13		
		137	263

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (accounts and audits) (application of the Companies Act 2006) regulations 2008) applicable to LLP's subject to the small LLP regime.

Approval

Approved by the members of the Limited Liability Partnership on 17 September 2015 and signed on its behalf by:

.....
Designated Member
Calico JV Limited

.....
Designated Member
Herbert T Forrest Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice:

“Accounting by Limited Liability Partnerships” March 2010.

Going concern

The LLP’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Members Report on pages 2 to 3. In addition, notes on pages 7 to 10 of the financial statements include the LLP’s objectives, policies and processes for managing its capital. The LLP has sufficient financial resources, and access to overdraft funds, together with long-term contracts, with other companies in the Calico Group. These contracts are supported and managed through a blend of directly employed staff and sustainable local and regional subcontractors providing specialist or ad hoc services.

Goods and materials are sourced from suppliers with strong financial standing with the ability to continue to source supplies on behalf of the LLP. As a consequence, the members believe that the company is well placed to manage its business risks successfully. The members have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The LLP has taken advantage of exemption conferred by Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the ultimate controlling undertaking publishes a consolidated cash flow statement.

Turnover and revenue recognition

Turnover represents the fair value of services provided in the case of time charge work and the value of services provided as a proportion of the total value of the contract in the case of fixed fee contracts. Turnover is net of value added tax. Provision is made in full for estimated losses if the costs of fulfilling the contract exceed the recoverable amount. Turnover is only recognised to the extent that it is probable that it will be recoverable.

Amounts recoverable on long term contracts which are included in debtors are stated at the net sales value of the work done less amounts received as progress payments on account.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the period ended 31 March 2015, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Amounts recoverable on contracts

This represents work done at the period ended 31 March 2015 based on estimated amounts recoverable less any amounts billed on account.

Members’ remuneration

The Members’ shall procure that at least 100% of the LLP’s profits shall, in each financial period of the LLP, be distributed to Members in their Relevant Percentages as set out in the signed members’ agreement and split between the designated members. The relevant percentages are 51% to Calico JV Limited and 49% to Herbert T Forrest Limited. Any profit share with hasn’t been distributed is included as a liability under loans and debts due to other members.

Tangible fixed assets

Tangible fixed assets are stated at cost.

Depreciation

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

Furniture, fixtures & fittings	10-33%
Plant & tools	20-33%
Computers & office equipment	20-33%

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

Taxation on LLP profits is the liability of the members. Consequently neither partnership taxation nor related deferred taxation is accounted for in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	For the 15 month period ended 31 March 2015	For the 17 month period ended 31 December 2013
	£'000	£'000
2. Operating Profit		
Operating Profit is stated after charging:		
Operating Leases		
Land and Buildings	27	16
Other	115	18
Auditors Remuneration		
Audit	7	7
Other services	2	2
Depreciation of fixed assets	36	17

	For the 15 month period ended 31 March 2015	For the 17 month period ended 31 December 2013
	£'000	£'000
3. Members Remuneration		
The members shall procure that 100% of the LLP's profits shall, in each financial period of the LLP, be distributed to members in their relevant percentages.		
Calico JV Limited 51% Share	293	134
Herbert T Forrest Limited 49% Share	282	129
	<u>575</u>	<u>263</u>

	For the 15 month period ended 31 March 2015	For the 17 month period ended 31 December 2013
	£'000	£'000
4. Employees		
Average monthly number of employees	44 employees	25 employees
Employee Costs		
Wages and salaries (gross)	1,344	590
Social security costs	125	51
Pension costs	1	-
	<u>1,470</u>	<u>641</u>

5. Fixed Assets

	Furniture, Fixtures and Fittings	Plant and Tooling	Computers and Office Equipment	Vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	3	40	8	-	51
Additions	8	14	47	13	82
Disposals	-	0	0	-	-
At 31 March 2015	11	54	55	13	133
Depreciation					
At 1 January 2014	1	13	3	-	17
Charge for the period	4	18	11	3	36
Disposals	-	0	0	-	0
At 31 March 2015	5	31	14	3	53
Net Book Value					
At 31 March 2015	6	23	41	10	80

6. Debtors

	For the 15 month period ended 31 March 2015 £'000	For the 17 month period ended 31 Dec 2013 £'000
Trade Debtors	34	25
Provision for bad debt	(8)	-
Amounts recoverable on contracts	53	80
Amounts owed from group undertakings	1,179	581
Prepayments	94	22
	<u>1,352</u>	<u>708</u>

7. Creditors: Amounts falling due within one year

	For the 15 month period ended 31 March 2015 £'000	For the 17 month period ended 31 December 2013 £'000
Trade creditors	327	97
Other tax and social security	-	26
Accruals and deferred income	1085	387
Amounts due to members for work undertaken	-	74
Amounts owed to group undertakings	123	5
	<u>1,535</u>	<u>589</u>

8. Creditors: Amounts falling due after more than one year.

There were no amounts falling due after more than one year.

9. Pension scheme

The LLP participated in a defined contribution pension scheme with Building and Civil Engineering (B&CE) for the period ended 31 March 2015. There was one staff member enrolled in this scheme during this period. The company contributions were 2.6% of salary.

10. Capital Commitments and Contingent Liabilities

There are no capital commitments or contingent liabilities at 31 March 2015.

11. Transactions with members

The members shall procure that at least 100% of the LLP's profits shall, in each financial period of the LLP, be distributed to Members via their relevant percentages.

Included in debtors is an amount owing to LLP of £51 from Calico JV and £49 from Herbert T Forrest Limited for the members' initial capital.

12. Members Interests	Loans and other debts due to/ from members £'000
Members interests at 1 January 2014	113
Amounts due from members	-
Members remuneration charged as an expense	(551)
Profit for the financial period available for division amongst members	575
Members interests at 31 March 2015	137

13. Related Party Transactions

During the period the LLP purchased goods and services amounting to £1,344,000 from Calico Homes Limited and £141,000 from Herbert T Forrest Limited. These goods were purchased on an arm's length basis.

During the period ended 31 March 2015, sales to Calico Homes Limited were £3,256,000, Herbert T Forrest Limited £16,000, Hobstones Homes Limited £3,609,000 and Acorn Recovery Projects £22,000.

At the period ended 31 March 2015 amounts outstanding to Calico Homes Limited were £223 and to Calico Enterprises £14,000.

At the period ended 31 March 2015 amounts outstanding due to the LLP from Calico Homes Limited were £713,000, from Herbert T Forrest Limited were £66,000 and from Hobstones Homes Limited, £373,000 and Acorn Recovery Projects £5,600.

14. Ultimate Controlling Party

The ultimate controlling party is The Calico Grp Limited.

15. Parent Undertaking

The immediate parent company is Calico JV Limited. The ultimate parent undertaking is The Calico Grp Limited, a Company registered in England and Wales.

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

Company Secretary
Centenary Court
Croft Street
Burnley
BB11 2ED

No other accounts include the results of the LLP. The members consider the Calico Grp Limited to be the ultimate parent entity.

16. Exceptional Items – start up costs

This comprises legal costs, professional fees, consultancy costs and other revenue costs associated with investment in the infrastructure of the LLP in relation to its start up.

17. Post Balance Sheet Event

An agreement has been made to end the formal partnership between Calico JV Limited and Herbert T Forrest Limited from 28 August 2015. As of this date, Ring Stones is 100% owned by Calico JV Limited.