

CUBITT THEOBALD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013



CUBITT THEOBALD LIMITED

COMPANY INFORMATION

DIRECTORS	R J Cubitt G C Cubitt D M Hearnden D Nayler
COMPANY SECRETARY	R J Cubitt
REGISTERED NUMBER	00391366
REGISTERED OFFICE	St Catherine's Road Long Melford Sudbury Suffolk CO10 9JU
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors The Quorum Barnwell Road Cambridge CB5 8RE
BANKERS	Lloyds TSB Bank Plc 30 Market Hill Sudbury Suffolk CO10 2EL
SOLICITORS	Greene & Greene 80 Guildhall Street Bury St Edmunds Suffolk IP33 1QB

CUBITT THEOBALD LIMITED

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CUBITT THEOBALD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2013

The directors present their report and the financial statements for the year ended 31 October 2013

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of builders and contractors and there has been no significant change in activities in the year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £8,942 (2012 - £25,616)

The directors do not recommend payment of an ordinary dividend

DIRECTORS

The directors who served during the year were

R J Cubitt
G C Cubitt
D M Hearnden
D Naylor

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

CUBITT THEOBALD LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2013**

AUDITORS

Under section 487 of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on *19 March 2014* and signed on its behalf



R J Cubitt
Secretary

CUBITT THEOBALD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2013

INTRODUCTION

This is a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. The review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face in the rapidly changing market place.

The principal activities of the company continued to be that of builders and contractors and there has been no significant change in activities in the year.

BUSINESS REVIEW

Overall, the results for the year and the financial position at the year-end were considered satisfactory by the directors.

We consider that our key performance indicators are those that communicate the performance and strength of the company as a whole, these being gross margin and net assets.

Overall gross margin has increased by 2% compared with the previous year. Net assets have increased from £355,900 in 2012 to £364,842 in 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

The environment in which we operate continues to be challenging. The Construction market in the UK is highly competitive and margins continue to be tight. We face consistent competition from an industry that is defined by its low barriers to entry and are of course also subject to spending patterns. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes in the company's activities for the foreseeable future. There have been no events since the end of the year which require comment by the directors.

This report was approved by the board on *19 March 2014* and signed on its behalf

R J Cubitt
Director



CUBITT THEOBALD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CUBITT THEOBALD LIMITED

We have audited the financial statements of Cubitt Theobald Limited for the year ended 31 October 2013, set out on pages 6 to 16. 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).

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 DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors 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 Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 October 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CUBITT THEOBALD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CUBITT THEOBALD LIMITED

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Andrew Booth (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

The Quorum
Barnwell Road
Cambridge
CB5 8RE

21 March 2014

CUBITT THEOBALD LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2013**

	Note	2013 £	2012 £
TURNOVER	1	7,630,406	9,188,272
Cost of sales		(6,718,398)	(8,244,259)
		<u>912,008</u>	<u>944,013</u>
GROSS PROFIT			
Administrative expenses		(888,773)	(915,032)
		<u>23,235</u>	<u>28,981</u>
OPERATING PROFIT	3		
Interest payable and similar charges	4	(3,896)	(2,232)
		<u>19,339</u>	<u>26,749</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	5	(10,397)	(1,133)
		<u>8,942</u>	<u>25,616</u>
PROFIT FOR THE FINANCIAL YEAR			

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account

The notes on pages 8 to 16 form part of these financial statements

CUBITT THEOBALD LIMITED
REGISTERED NUMBER 00391366

BALANCE SHEET
AS AT 31 OCTOBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	6		136,653		140,979
CURRENT ASSETS					
Stocks	7	898,702		1,079,707	
Debtors	8	1,901,820		1,921,903	
Cash at bank and in hand		4,740		4,416	
		<u>2,805,262</u>		<u>3,006,026</u>	
CREDITORS: amounts falling due within one year	9	<u>(2,543,145)</u>		<u>(2,774,508)</u>	
NET CURRENT ASSETS			262,117		231,518
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>398,770</u>		<u>372,497</u>
CREDITORS, amounts falling due after more than one year	10		(22,559)		(9,011)
PROVISIONS FOR LIABILITIES					
Deferred tax	11		<u>(11,369)</u>		<u>(7,586)</u>
NET ASSETS			<u><u>364,842</u></u>		<u><u>355,900</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		1,900		1,900
Profit and loss account	15		<u>362,942</u>		<u>354,000</u>
SHAREHOLDERS' FUNDS	16		<u><u>364,842</u></u>		<u><u>355,900</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/3/14


R J Cubitt
 Director

CUBITT THEOBALD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company meets its day to day working capital requirements through an informal borrowing arrangement with Cubitt Projects Limited, a company under common control

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The company's ability to continue trading relies on the continued financial support from Cubitt Projects Limited, a company in which R J Cubitt and G C Cubitt are directors and majority shareholders. Financial support is expected to continue for the foreseeable future and on this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	- 20-33% straight line per annum
Motor vehicles	- 25% reducing balance per annum

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis

Rentals payable under operating leases are charges against income on a straight line basis over the lease term

CUBITT THEOBALD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

1. ACCOUNTING POLICIES (continued)

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

3. OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	34,854	56,346
- held under finance leases	12,117	12,340
Auditors' remuneration	9,000	9,000
	<u> </u>	<u> </u>

4 INTEREST PAYABLE

	2013 £	2012 £
Hire purchase interest	3,896	2,232
	<u> </u>	<u> </u>

5. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	6,614	9,380
Deferred tax (see note 11)		
Origination and reversal of timing differences	3,783	(8,247)
Tax on profit on ordinary activities	<u>10,397</u>	<u>1,133</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	19,339	26,749
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	3,868	5,350
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,285	(4,317)
Capital allowances for year in excess of depreciation	(4,539)	8,347
Current tax charge for the year (see note above)	<u>6,614</u>	<u>9,380</u>

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Total £
Cost			
At 1 November 2012	696,259	446,582	1,142,841
Additions	3,292	45,800	49,092
Disposals	-	(52,937)	(52,937)
At 31 October 2013	<u>699,551</u>	<u>439,445</u>	<u>1,138,996</u>
Depreciation			
At 1 November 2012	677,004	324,858	1,001,862
Charge for the year	13,678	33,293	46,971
On disposals	-	(46,490)	(46,490)
At 31 October 2013	<u>690,682</u>	<u>311,661</u>	<u>1,002,343</u>
Net book value			
At 31 October 2013	<u>8,869</u>	<u>127,784</u>	<u>136,653</u>
At 31 October 2012	<u>19,255</u>	<u>121,724</u>	<u>140,979</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2013 £	2012 £
Motor vehicles	<u>58,585</u>	<u>37,020</u>

7 STOCKS

	2013 £	2012 £
Raw materials	28,028	28,028
Work in progress	870,674	1,051,679
	<u>898,702</u>	<u>1,079,707</u>

In the opinion of the directors, any difference between book value and replacement cost of stocks would be immaterial

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

8. DEBTORS

	2013 £	2012 £
Trade debtors	192,707	503,093
Other debtors	244,336	265
Prepayments and accrued income	11,973	16,492
Amounts recoverable on long term contracts	1,452,804	1,402,053
	<u>1,901,820</u>	<u>1,921,903</u>

9. CREDITORS:

Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	278,866	74,830
Other loans	1,431	1,908
Payments received on account	100,940	108,235
Net obligations under finance leases and hire purchase contracts	21,172	13,811
Trade creditors	1,288,791	1,400,311
Corporation tax	6,614	9,380
Other taxation and social security	69,539	223,961
Other creditors	703,255	867,957
Accruals and deferred income	72,537	74,115
	<u>2,543,145</u>	<u>2,774,508</u>

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned

Bank overdrafts are secured on a fixed and floating charges over the assets of the company

The aggregate amount of secured creditors is £324,028 (2012 - £99,560)

10 CREDITORS:

Amounts falling due after more than one year

	2013 £	2012 £
Other loans	-	1,431
Net obligations under finance leases and hire purchase contracts	22,559	7,580
	<u>22,559</u>	<u>9,011</u>

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

10. CREDITORS

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2013 £	2012 £
Between one and five years	22,559	7,580

11. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	7,586	15,833
Charge for/(released during) year (P&L)	3,783	(8,247)
At end of year	11,369	7,586

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	13,187	8,648
Other timing differences	(1,818)	(1,062)
	11,369	7,586

12 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,182 (2012 - £41,683)

Contributions outstanding at the end of the year amounted to £9,091 (2012 - £5,311)

13 OPERATING LEASE COMMITMENTS

At 31 October 2013 the company had annual commitments under non-cancellable operating leases as follows

	Other 2012 £	Other 2011 £
Expiry date:		
Between 2 and 5 years	3,982	3,982
After more than 5 years	19,500	19,500

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

14. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1,900 Ordinary shares of £1 each	1,900	1,900

15. RESERVES

	Profit and loss account £
At 1 November 2012	354,000
Profit for the financial year	8,942
At 31 October 2013	362,942

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	355,900	330,284
Profit for the financial year	8,942	25,616
Closing shareholders' funds	364,842	355,900

17. CONTINGENT LIABILITIES

The company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the VAT group. At the balance sheet date the VAT liability for other members of the VAT group totalled £4,671 (2012 - £16,583)

18. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	107,845	111,032
Company pension contributions to defined contribution pension schemes	10,482	10,482

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes

CUBITT THEOBALD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

19. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	1,971,061	2,053,650
Social security costs	193,424	191,608
Other pension costs	41,182	41,683
	<u>2,205,667</u>	<u>2,286,941</u>

The average monthly number of employees, including the directors, during the year was as follows

	2013 No	2012 No
Building and contracting	65	68
Office and management	17	19
	<u>82</u>	<u>87</u>

20. CONTROLLING PARTY

The immediate and ultimate parent undertaking of this company is Laketons Limited, a company incorporated in England and Wales. Financial statements for this company are publicly available from Companies House.

CUBITT THEOBALD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

21. RELATED PARTY TRANSACTIONS

During the year the company made sales of £12,952 (2012 - £6,505) to Cubitt Projects Limited, a company with common shareholders and controlled by the same directors

During the year the company recharged costs of £40,000 (2012 - £45,400) to Cubitt Projects Limited, a company with common shareholders and controlled by the same directors

The amount due to Cubitt Projects Limited at the year end was £682,005 (2012 - £837,365)

At the year end the company was owed £264 (2012 - £264) from Kloffus Limited (formerly Cubitt Theobald (Long Melford) Limited), a fellow subsidiary

During the year the company paid rent, in accordance with the lease in place, of £16,000 (2012 - £NIL) to Suffolk Life Annuities Limited, a pension scheme of the directors in which R J Cubitt and G C Cubitt have a material interest

During the year projects worth £372 (2012 - £100) were carried out for R J Cubitt, a director of the company

The amount due from R J Cubitt at the year end was £1,519 (2012 - £ NIL)

The amount included in work in progress for R J Cubitt at the year end was £172 (2012 - £NIL)

During the year projects worth £22,017 (2012 - £Nil) were carried out for G C Cubitt, a director of the company

The amount due from G C Cubitt at the year end was of £1,789 (2012 £ NIL)

The amount included in work in progress for G C Cubitt at the year end was £22,017 (2012 - £NIL)

During the year projects worth £264 (2012 - £Nil) were carried out for D M Hearnden, a director of the company

The amount included in work in progress for D M Hearnden at the year end was £202 (2012 - £NIL)

The amount due from D Naylor at the year end was £353 (2012 £ NIL)