

REGISTERED NUMBER: 08073879 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019
FOR
CUBICO (UK) LIMITED**

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FOR THE YEAR ENDED 30 NOVEMBER 2019**

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CUBICO (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2019**

DIRECTORS:

C A Waddington
Ms L K Green

REGISTERED OFFICE:

27 Oakwell Way
Birstall
Batley
West Yorkshire
WF17 9LU

REGISTERED NUMBER:

08073879 (England and Wales)

AUDITORS:

Cresswells Accountants (UK) Limited
Chartered Accountants
and Statutory Auditors
12 Market Street
Hebden Bridge
West Yorkshire
HX7 6AD

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

The directors present their strategic report for the year ended 30 November 2019.

REVIEW OF BUSINESS

The company has, once again, seen a sustained period of growth during the last twelve months, both organically and through new initiatives. The Company remained focused on the controlled growth strategy by opening sixteen new retail outlets during the reporting period and building new relationships with customers in key locations, whilst maintaining and nurturing relationships with our existing customer base.

Business through our retail outlets accounted for 76% of revenues, with the remainder coming from business-to-business and online revenue streams.

In addition to the core business, the retail outlets are supported by a fully functional e-commerce website, with online customer support and aftercare guides. The company has further invested in our online presence during the reporting period, to increase website sales and drive footfall to the stores.

The company has continued to invest in the product portfolio, systems and quality staff in key roles within the business. Notably, we have invested further in our warehousing and distribution operations to improve efficiencies, service and the overall customer experience.

The results for the company show an operating profit of £2,938,159 for the year to 30 November 2019 and turnover of £33,349,234 for the same period.

PRINCIPAL RISKS AND UNCERTAINTIES

Price risk - The Company currently purchases an element of its stock ranges in USD and EUR, both of which have been subject to significant fluctuations in recent years. The Company has managed this risk through close monitoring of exchange rates, using forward contracts and careful negotiation with suppliers to limit the exposure.

Credit risk - The Company reduces its credit risk by actively monitoring credit accounts to ensure that debts do not become bad. This risk is also mitigated by the regular review of customer accounts to ensure that they do not exceed the agreed credit limits and terms.

Liquidity risk - The Company mitigates liquidity risk by actively managing cash collection days and closely monitoring stock levels and turns on all SKUs.

Supply risk - With increasing globalisation of supply chains, the Company recognises the risk to the supply of products and services, particularly with international suppliers. To mitigate this, we performance manage our key suppliers to ensure we identify trends and can react in a timely manner. We ensure we have the ability to dual source our key SKEWS and reduce dependency on any one supplier.

Economic and market risk - Reduced consumer confidence in the UK, as a result of the referendum vote to leave the European Union or 'Brexit' is managed through our ability to adapt in a changing market and the diversity of our sales channels. We closely monitor competitor activity, keep up to date with EU legislation, keep our cost base under control and ensure we focus on value, service and quality to remain competitive.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

KEY PERFORMANCE INDICATORS

The Company is focused on regular reviews of key performance indicators (KPIs) and has robust reporting tools for all levels of staff. This allows every staff member to manage expectations and achieve targets.

Progress is monitored by the board by reference to the following KPIs, among others:

	2019	2018
Turnover	£33,349,234	£20,792,420
Growth in turnover	60%	51%
Like-for-like growth in turnover (excludes stores opened during the reporting period)	27%	17%
Gross margin	55%	53%
Operating profit	9%	9%

ON BEHALF OF THE BOARD:

C A Waddington - Director

6 May 2020

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 NOVEMBER 2019

The directors present their report with the financial statements of the company for the year ended 30 November 2019.

DIVIDENDS

An interim dividend of £40.70 per share was paid on 25 April 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2019 will be £ 407,000 .

FUTURE DEVELOPMENTS

The Company plans to open further retail stores during the 2019/20 financial year, building on the success of the past few years and further cementing the 'Easy Bathrooms' brand in the UK market.

With the number of new homes created in England at its highest level in almost 30 years, the Company will continue to focus on trade business, including housebuilders, to ensure continued diversification of the revenue streams.

Turnover is expected to grow year-on-year as the stores opened in the reporting period gain traction and become more established.

The outbreak of COVID-19 and resulting measures taken by the UK government to contain the virus have already affected our business in the first half of the 2019/20 financial year. During the enforced 'lockdown' period, we have temporarily closed our retail stores across the UK, which has resulted in a decline in revenues in April (65% decline on prior year sales for the period) and is expected to continue until the stores are able to re-open. The company has temporarily furloughed staff who are based at any of the stores which are closed for the interim and intends to make use of the business support measures put in place by the UK government to help the company through this difficult period. Based on the current financial position and results, there is a risk that we may not meet our covenant ratios for the next 12 months. We are currently discussing the situation with our lenders.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2018 to the date of this report.

C A Waddington
Ms L K Green

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

AUDITORS

The auditors, Cresswells Accountants (UK) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C A Waddington - Director

6 May 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CUBICO (UK) LIMITED

Opinion

We have audited the financial statements of Cubico (UK) Limited (the 'company') for the year ended 30 November 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 company's affairs as at 30 November 2019 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CUBICO (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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 a Report of the Auditors 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.

John Dakin BSc FCA (Senior Statutory Auditor)
for and on behalf of Cresswells Accountants (UK) Limited
Chartered Accountants
and Statutory Auditors
12 Market Street
Hebden Bridge
West Yorkshire
HX7 6AD

6 May 2020

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER		33,349,234	20,792,420
Cost of sales		<u>15,117,249</u>	<u>9,691,814</u>
GROSS PROFIT		18,231,985	11,100,606
Administrative expenses		<u>15,293,826</u>	<u>9,133,577</u>
OPERATING PROFIT	4	2,938,159	1,967,029
Interest payable and similar expenses	5	<u>368,410</u>	<u>275,094</u>
PROFIT BEFORE TAXATION		2,569,749	1,691,935
Tax on profit	6	<u>526,341</u>	<u>357,676</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,043,408</u>	<u>1,334,259</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		2,043,408	1,334,259
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,043,408</u>	<u>1,334,259</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**BALANCE SHEET
30 NOVEMBER 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	8		4,829,229		2,691,975
CURRENT ASSETS					
Stocks	9	6,781,753		3,947,660	
Debtors	10	4,138,366		3,402,148	
Cash at bank and in hand		<u>3,024,797</u>		<u>1,420,717</u>	
		13,944,916		8,770,525	
CREDITORS					
Amounts falling due within one year	11	<u>9,049,890</u>		<u>5,846,870</u>	
NET CURRENT ASSETS			<u>4,895,026</u>		<u>2,923,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,724,255		5,615,630
CREDITORS					
Amounts falling due after more than one year	12		(4,268,219)		(1,962,437)
PROVISIONS FOR LIABILITIES	16		<u>(297,134)</u>		<u>(130,699)</u>
NET ASSETS			<u><u>5,158,902</u></u>		<u><u>3,522,494</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Retained earnings	18		<u>5,158,802</u>		<u>3,522,394</u>
SHAREHOLDERS' FUNDS			<u><u>5,158,902</u></u>		<u><u>3,522,494</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 May 2020 and were signed on its behalf by:

C A Waddington - Director

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2017	100	2,193,135	2,193,235
Changes in equity			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	1,334,259	1,334,259
Balance at 30 November 2018	100	3,522,394	3,522,494
Changes in equity			
Dividends	-	(407,000)	(407,000)
Total comprehensive income	-	2,043,408	2,043,408
Balance at 30 November 2019	100	5,158,802	5,158,902

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	3,640,859	2,794,801
Interest paid		(368,399)	(274,706)
Interest element of hire purchase payments paid		(11)	(388)
Tax paid		<u>(320,101)</u>	<u>(189,291)</u>
Net cash from operating activities		<u>2,952,348</u>	<u>2,330,416</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,111,193)	(1,884,031)
Sale of tangible fixed assets		<u>107,443</u>	<u>129,693</u>
Net cash from investing activities		<u>(3,003,750)</u>	<u>(1,754,338)</u>
Cash flows from financing activities			
New loans in year		5,000,000	2,315,000
Loan repayments in year		(2,583,442)	(1,982,374)
Capital repayments in year		(1,082)	(6,172)
Amount introduced by directors		-	1,816
Amount withdrawn by directors		(352,994)	(4,822)
Equity dividends paid		<u>(407,000)</u>	<u>(5,000)</u>
Net cash from financing activities		<u>1,655,482</u>	<u>318,448</u>
Increase in cash and cash equivalents		<u>1,604,080</u>	<u>894,526</u>
Cash and cash equivalents at beginning of year	2	<u>1,420,717</u>	<u>526,191</u>
Cash and cash equivalents at end of year	2	<u><u>3,024,797</u></u>	<u><u>1,420,717</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	2,569,749	1,691,935
Depreciation charges	900,629	552,424
Profit on disposal of fixed assets	(34,133)	(34,369)
Finance costs	368,410	275,094
	<u>3,804,655</u>	<u>2,485,084</u>
Increase in stocks	(2,834,093)	(1,506,567)
Increase in trade and other debtors	(736,218)	(300,972)
Increase in trade and other creditors	3,406,515	2,117,256
Cash generated from operations	<u><u>3,640,859</u></u>	<u><u>2,794,801</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 November 2019

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	<u>3,024,797</u>	<u>1,420,717</u>

Year ended 30 November 2018

	30.11.18	1.12.17
	£	£
Cash and cash equivalents	<u><u>1,420,717</u></u>	<u><u>526,191</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

1. STATUTORY INFORMATION

Cubico (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- over 10 years
Plant and machinery	- 15% on reducing balance and over 3 years
Display stock	- over 3 years
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019****2. ACCOUNTING POLICIES - continued****Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	5,657,164	3,276,203
Social security costs	501,836	301,641
Other pension costs	85,287	24,110
	<u>6,244,287</u>	<u>3,601,954</u>

The average number of employees during the year was as follows:

	2019	2018
Directors	2	2
Staff	<u>208</u>	<u>126</u>
	<u>210</u>	<u>128</u>

	2019 £	2018 £
Directors' remuneration	221,667	160,000
Directors' pension contributions to money purchase schemes	<u>17,146</u>	<u>668</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>1</u>
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Information regarding the highest paid director for the year ended 30 November 2019 is as follows:

	2019 £
Emoluments etc	130,000
Pension contributions to money purchase schemes	<u>16,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Other operating leases	2,256,671	1,470,142
Depreciation - owned assets	899,080	545,037
Depreciation - assets on hire purchase contracts	1,549	7,387
Profit on disposal of fixed assets	(34,133)	(34,369)
Auditors' remuneration	<u>11,250</u>	<u>13,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Loan interest	368,399	274,706
Hire purchase	<u>11</u>	<u>388</u>
	<u>368,410</u>	<u>275,094</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	362,921	320,101
Over/under provision in prior year	<u>(3,015)</u>	<u>14,421</u>
Total current tax	359,906	334,522
Deferred tax	<u>166,435</u>	<u>23,154</u>
Tax on profit	<u>526,341</u>	<u>357,676</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>2,569,749</u>	<u>1,691,935</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	488,252	321,468
Effects of:		
Expenses not deductible for tax purposes	24,333	18,361
Depreciation in excess of capital allowances	17,961	3,904
Utilisation of tax losses client's provision	<u>(1,190)</u>	<u>(478)</u>
Over/under provision in prior year	<u>(3,015)</u>	<u>14,421</u>
Total tax charge	<u>526,341</u>	<u>357,676</u>

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of 1p each		
Interim	<u>407,000</u>	<u>5,000</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Display stock £	Motor vehicles £	Totals £
COST					
At 1 December 2018	1,785,290	701,251	1,016,732	30,045	3,533,318
Additions	1,484,445	509,048	1,117,700	-	3,111,193
Disposals	<u>(3,472)</u>	<u>(1,951)</u>	<u>(132,032)</u>	<u>(19,050)</u>	<u>(156,505)</u>
At 30 November 2019	<u>3,266,263</u>	<u>1,208,348</u>	<u>2,002,400</u>	<u>10,995</u>	<u>6,488,006</u>
DEPRECIATION					
At 1 December 2018	262,971	197,670	363,942	16,760	841,343
Charge for year	247,118	180,179	470,527	2,805	900,629
Eliminated on disposal	<u>(1,742)</u>	<u>(1,016)</u>	<u>(68,098)</u>	<u>(12,339)</u>	<u>(83,195)</u>
At 30 November 2019	<u>508,347</u>	<u>376,833</u>	<u>766,371</u>	<u>7,226</u>	<u>1,658,777</u>
NET BOOK VALUE					
At 30 November 2019	<u>2,757,916</u>	<u>831,515</u>	<u>1,236,029</u>	<u>3,769</u>	<u>4,829,229</u>
At 30 November 2018	<u>1,522,319</u>	<u>503,581</u>	<u>652,790</u>	<u>13,285</u>	<u>2,691,975</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 December 2018	19,050
Disposals	<u>(19,050)</u>
At 30 November 2019	<u>-</u>
DEPRECIATION	
At 1 December 2018	10,790
Charge for year	1,549
Eliminated on disposal	<u>(12,339)</u>
At 30 November 2019	<u>-</u>
NET BOOK VALUE	
At 30 November 2019	<u>-</u>
At 30 November 2018	<u>8,260</u>

9. STOCKS

	2019 £	2018 £
Stocks	<u>6,781,753</u>	<u>3,947,660</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	820,778	575,082
Amounts owed by group undertakings	1,483,893	1,487,130
Other debtors	933,332	675,492
Prepayments and accrued income	900,363	664,444
	<u>4,138,366</u>	<u>3,402,148</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 13)	546,339	352,563
Other loans (see note 13)	-	33,000
Hire purchase contracts (see note 14)	-	1,082
Trade creditors	5,465,758	3,117,888
Tax	362,921	323,116
Social security and other taxes	130,713	84,465
VAT	352,720	251,228
Other creditors	375,649	234,756
Directors' current accounts	-	402,994
Accrued expenses	1,815,790	1,045,778
	<u>9,049,890</u>	<u>5,846,870</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Bank loans (see note 13)	4,218,219	1,962,437
Directors' loan accounts	50,000	-
	<u>4,268,219</u>	<u>1,962,437</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank loans	546,339	352,563
Other loans	-	33,000
	<u>546,339</u>	<u>385,563</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>594,803</u>	<u>423,825</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,623,416</u>	<u>1,538,612</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2019 £	2018 £
Net obligations repayable: Within one year	-	<u>1,082</u>
	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	-	86,309
Between one and five years	912,550	595,538
In more than five years	<u>2,001,476</u>	<u>1,176,237</u>
	<u>2,914,026</u>	<u>1,858,084</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	4,764,558	2,315,000
Other loans	-	33,000
Hire purchase contracts	-	<u>1,082</u>
	<u>4,764,558</u>	<u>2,349,082</u>

On 21 March 2019, a debenture was put in place in favour of TC Loans I Limited for the loan taken out in the year.

16. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Accelerated capital allowances	<u>297,134</u>	<u>130,699</u>
		Deferred tax
		£
Balance at 1 December 2018		130,699
Charge to Income Statement during year		<u>166,435</u>
Balance at 30 November 2019		<u>297,134</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2019 £	2018 £
10,000	Ordinary	1p	<u>100</u>	<u>100</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

18. RESERVES

	Retained earnings £
At 1 December 2018	3,522,394
Profit for the year	2,043,408
Dividends	<u>(407,000)</u>
At 30 November 2019	<u>5,158,802</u>

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, a director provided funds to the company. At 30 November 2019, the company owed him £50,000 (2018 £402,994).

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director C A Waddington who owns 80% (2018 73%) of the issued share capital of the parent company Cubico Group Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.