

REGISTERED NUMBER: 08073879 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021
FOR
CUBICO (UK) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	6
Report of the Independent Auditors	8
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Financial Statements	17

CUBICO (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2021**

DIRECTORS:

C A Waddington
Ms L K Green
S Browett
S Tattersley
A Marsh

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 2021**

The directors present their strategic report for the year ended 30 November 2021.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the sale of tiles and other bathroom products via our network of stores and wholesale and online sales channels.

INDUSTRY OVERVIEW

The financial year was again impacted by the COVID-19 pandemic. Bathrooms specialists across the industry were required to close retail outlets under the third national lockdown between 6th January 2021 and 12th April 2021. A period which is traditionally one of the busiest of the year.

Following the lockdown, the market bounced back and proved to be extremely robust. Businesses who had prepared accordingly were able to capitalise on the renewed interest in home improvements. This was driven by several factors, but not limited to the additional time spent in the home, redirection of funds usually spent elsewhere, such as on holidays, the buoyant housing market, supported by the stamp duty cuts and savings built up during the lockdown periods..

REVIEW OF BUSINESS

The results for the company show an operating profit of £6,578,899 (2020: £6,263,948) for the year to 30 November 2021 and turnover of £62,298,279 (2020: £46,547,854) for the same period.

During the national lockdown the company was able to adjust its online and distance-selling sales strategy to ensure customers could continue their home improvement projects without too much disruption, with our highly trained sale staff able to provide advice and designs remotely where possible and purchases made via telephone or our website.

The company made the decision to build up its stock levels during the period due to the ongoing uncertainty around the global supply chain and COVID-19 pandemic and continued to hold these throughout the course of the year. This proved to be the right decision as it meant our customers were largely unaffected by the supply issues that many others in our industry experienced and the company can continue to expand its network of stores knowing that products are readily available. Stock levels at the end of the period were valued at £15,838,961 (2020: £7,590,806). The company will continue with the strategy until there is more clarity around the issues that are affecting supply.

The company continues its policy to re-invest to take advantage of opportunities in the retail property sector and cement its position as the leading bathroom retailer in the UK. As of November 2021, the company operates 95 retail outlets, which accounted for 79% of total revenues during the period, with the remainder coming from business-to-business and online revenue streams.

The company opened 32 new stores during the reporting period, despite numerous challenges relating to the pandemic including labour and material shortages, with total investment in stores during the period valued at £10.1m.

The company has also 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.

Continued investment has allowed the business to create 182 new job roles across the business in various geographical locations during the period (an uplift of 54%) and will ensure this continues into next year as we continue to increase our market share through the store rollout.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the companies growth strategy are subject to several risks.

The directors ensure that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks. The directors have set out below the principal risks facing the business:

Economic and market risk - The immediate risk to the business is the normalisation of the bathroom market following the most recent home improvement boom. Revenues are also increasingly dependent on availability of tradespeople. Where possible, the business will continue to increase its footprint across the UK to gain more market share, whilst keeping a close eye on the economic influences. The business is highly cash generative, given that most sales are paid for before despatch, which allows us time to react to changing market conditions by slowing down store openings or normalising the stock levels to compensate.

Supply risk - The impact of the COVID-19 pandemic has resulted in global supply chain disruption, which is affecting businesses across all industries, restricting the availability of stock and adding additional cost pressure to the cost of the goods and shipping. The company continues to keep its supply chain under close review, ensuring additional lead times are factored in. Relationships have been developed with alternative providers, in case they are required, and regular dialogues are in place with current suppliers to track changes in market conditions.

'Cost of living' crisis 2022 - Since the war in Ukraine began, economic growth projections for Europe have been revised down and inflation estimates ratcheted up. The Bank of England has warned that the Ukraine invasion is increasing economic uncertainty and will increase pressure on UK borrowers. This is having an impact on many UK businesses, particularly smaller businesses and those who suffered most during the COVID-19 pandemic. The company fared well during the pandemic and built up a substantial order bank to support ongoing trading, however a fall in trading would impact the performance of the company going forward. Specific sensitivity analysis has been performed to ensure the ongoing viability of the business and contingency plans have been put in place should we need to react, including the slowing down of store openings or normalisation of stock levels.

Covid-19 pandemic - Like many businesses the Covid-19 pandemic has disrupted the trading activities of the business since March 2020. As at the date of issuance of these financial statements, the company is operating as normal, with all areas of the business open and fully functional. The company will continue to closely monitor, assess, and take mitigating actions in response to the evolving risks and uncertainties resulting from the pandemic.

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 majority of revenue is through sales to the end consumer where goods are paid for prior to despatch. 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.

IT systems and infrastructure - Our IT systems and infrastructure are fundamental to ensuring the continuity of trading across our stores and head office functions. If a major incident occurred affecting this infrastructure, it could have a detrimental impact on the businesses ability to operate effectively. To reduce this risk, and to reduce the impact of such an event if it were to happen, the company has invested significantly in developing robust recovery plans and systems, including a disaster recovery plan and use of leading cloud services.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

SECTION 172(1) STATEMENT

The Board of Directors of Cubico (UK) Limited consider, both individually and together, that they have acted in the way they consider would be most likely to promote the success of the company for the benefit of its members (having regard to the stakeholders and matters set out in s172(1) (a)-(f) of the Companies Act 2006) in the decisions taken during the period ended 30 November 2021.

Our staff are fundamental to the delivery of our business plan. We aim to be a responsible employer in our approach to the pay and benefits our staff receive. The company continues to offer learning and development opportunities to staff in the form of apprenticeships and internal and external training courses.

The health, safety and well-being of our staff and customers is one of our primary considerations in the way we manage our business. The company has introduced a vast number of new safety measures to its stores and head office since the start of the Covid-19 pandemic to minimise risk for staff and customers alike. Social distancing measures and new hygiene procedures have been implemented at all sites. Perspex screens have been fitted in stores and offices across the business.

Engagement with suppliers and customers is key to the success of our business. We hold reviews with our major partners regularly throughout the year and take appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery, and breaches of competition law.

Our business plan considers the impact of our operations on the community and environment and our wider social responsibilities, and how we comply with environmental legislation and pursue waste saving opportunities and react to local community concerns.

As a board of directors, our intention is always to behave responsibly and to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. We recognise that maintaining a high reputation is fundamental to our continuing ability to achieve sustainable profitable growth for the benefit of all our stakeholders in the future.

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:

	2021	2020
Turnover	£62,298,279	£46,547,854
Operating profit	£6,578,899 (10.6%)	£6,263,948 (13.5%)

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

FUTURE DEVELOPMENTS

Despite the continuing uncertainty and challenging economic environment, the Company is performing at record levels. The Directors remain confident in the company's strategy. Further opportunities for new store locations are being considered as the Company continues its store roll-out plan, building on the success of the past few years, creating further new job opportunities and further cementing the 'Easy Bathrooms' brand in the UK market.

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

To support this growth the Company has committed to a major deal to take on a purpose-built 330,000 sq. ft. facility at Calder Park in Wakefield, which will become its new state-of-the-art HQ and distribution centre. Alongside its 95 showrooms across the UK, it will mean the Company's physical footprint will exceed 1million sq. ft. The expansion will also pave the way for the creation of 100-150 new jobs at head office over the next two years, as well as 373 new staff to be employed throughout the UK at new showrooms. Already employing 519 people at November 2021, it will make Easy Bathrooms the largest employer within the UK bathroom market.

ON BEHALF OF THE BOARD:

C A Waddington - Director

26 August 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 30 November 2021.

DIVIDENDS

An interim dividend of £50 per share was paid on 30 November 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2021 will be £ 5,000 .

FUTURE DEVELOPMENTS

The future developments of the company are disclosed in the Strategic Report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2020 to the date of this report.

C A Waddington
Ms L K Green
S Browett
S Tattersley
A Marsh

GOING CONCERN

The Board has full expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Shortly after the period end, the Company consolidated its debt through a £13m lend from it's main bankers, Lloyds Bank.

The Company's forecasts demonstrate that, barring any significant disruption, the Company will be able to operate within its facilities including complying with covenants contained therein and will therefore have sufficient liquidity to meet its liabilities as they fall due in the period to 30 November 2022.

The Company has stress-tested its forecasts to determine what scenario would result in headroom being insufficient or covenants being breached, and the Board is satisfied the likelihood of such a scenario occurring, which involves a significant reduction in the Company's revenue and cash levels, is remote not least because trading performance at a Company level subsequent to the year-end has performed at a level where the business is able to meet it's liabilities and covenants.

Accordingly, the financial statements for the period ended 30 November 2021 have been prepared on the going concern basis.

DISABLED EMPLOYEES

The Company's policy is to give fair consideration to the employment of disabled persons having regard to their particular aptitude and ability. If an existing employee becomes disabled every effort is made to ensure continuity of employment and appropriate training is given.

CARBON ENERGY REPORTING

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 December 2020 to 30 November 2021, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2019 conversion factors.

In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

	Year to 30/11/2021	Year to 30/11/2020
Total Energy Consumption - Used for Emissions	4,581,527	3,183,655
Total Energy Consumption - Used for Emissions - average per operational site	57,994	61,224
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	1	2
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	731	551
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	257	190
Total Gross Reported Emissions (tCO ₂ e)	989	743
Turnover (£m)	62.3	46.5
Intensity Ratio: Turnover (tCO ₂ e I £m)	15.87	15.98

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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

26 August 2022

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 2021 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 2021 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

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 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. 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 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.

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 seven, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Cubico (UK) Limited and determined that the most significant are those that relate to the reporting framework (Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which Cubico (UK) Limited operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.

We understood how Cubico (UK) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the audit team.

We assessed the susceptibility of Cubico (UK) Limited's Financial Statements to material misstatement, including how fraud might occur, we utilised internal and external information to perform a fraud risk assessment. We considered the risk of fraud through management override and, in response, we incorporated a review of manual journal entries into our audit approach. We also considered the possibility of fraudulent or corrupt payments made through third parties.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

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.

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

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

26 August 2022

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER		62,298,279	46,547,854
Cost of sales		<u>25,566,773</u>	<u>19,970,164</u>
GROSS PROFIT		36,731,506	26,577,690
Administrative expenses		<u>31,038,139</u> 5,693,367	<u>20,963,742</u> 5,613,948
Other operating income		<u>885,532</u>	<u>650,000</u>
OPERATING PROFIT	4	6,578,899	6,263,948
Interest payable and similar expenses	5	<u>664,459</u> 5,914,440	<u>567,954</u> 5,695,994
PROFIT BEFORE TAXATION			
Tax on profit	6	<u>1,224,051</u> <u>4,690,389</u>	<u>1,098,959</u> <u>4,597,035</u>
PROFIT FOR THE FINANCIAL YEAR			

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		4,690,389	4,597,035
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,690,389</u>	<u>4,597,035</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**BALANCE SHEET
30 NOVEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		15,702,628		8,197,875
CURRENT ASSETS					
Stocks	9	15,838,961		7,590,806	
Debtors	10	5,899,760		6,143,555	
Cash at bank and in hand		<u>4,398,127</u>		<u>9,184,692</u>	
		26,136,848		22,919,053	
CREDITORS					
Amounts falling due within one year	11	<u>22,220,135</u>		<u>15,453,061</u>	
NET CURRENT ASSETS			<u>3,916,713</u>		<u>7,465,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,619,341		15,663,867
CREDITORS					
Amounts falling due after more than one year	12		(5,724,210)		(7,276,778)
PROVISIONS FOR LIABILITIES	16		<u>(1,261,805)</u>		<u>(439,152)</u>
NET ASSETS			<u>12,633,326</u>		<u>7,947,937</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Retained earnings	18		<u>12,633,226</u>		<u>7,947,837</u>
SHAREHOLDERS' FUNDS			<u>12,633,326</u>		<u>7,947,937</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 August 2022 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 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2019	100	5,158,802	5,158,902
Changes in equity			
Dividends	-	(1,808,000)	(1,808,000)
Total comprehensive income	-	4,597,035	4,597,035
Balance at 30 November 2020	<u>100</u>	<u>7,947,837</u>	<u>7,947,937</u>
Changes in equity			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	4,690,389	4,690,389
Balance at 30 November 2021	<u>100</u>	<u>12,633,226</u>	<u>12,633,326</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	8,481,181	10,511,839
Interest paid		(664,459)	(567,954)
Tax paid		(1,373,740)	(362,748)
Taxation refund		33,269	-
Net cash from operating activities		<u>6,476,251</u>	<u>9,581,137</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,378,811)	(4,983,665)
Sale of tangible fixed assets		29,062	(1)
Net cash from investing activities		<u>(10,349,749)</u>	<u>(4,983,666)</u>
Cash flows from financing activities			
New loans in year		-	4,075,000
Loan repayments in year		(908,067)	(704,576)
Equity dividends paid		(5,000)	(1,808,000)
Net cash from financing activities		<u>(913,067)</u>	<u>1,562,424</u>
(Decrease)/increase in cash and cash equivalents		<u>(4,786,565)</u>	<u>6,159,895</u>
Cash and cash equivalents at beginning of year	2	9,184,692	3,024,797
Cash and cash equivalents at end of year	2	<u>4,398,127</u>	<u>9,184,692</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

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

	2021 £	2020 £
Profit before taxation	5,914,440	5,695,994
Depreciation charges	2,840,038	1,579,902
Loss on disposal of fixed assets	4,957	35,117
Finance costs	664,459	567,954
	<u>9,423,894</u>	<u>7,878,967</u>
Increase in stocks	(8,248,155)	(809,053)
Decrease/(increase) in trade and other debtors	243,795	(2,005,189)
Increase in trade and other creditors	7,061,647	5,447,114
Cash generated from operations	<u>8,481,181</u>	<u>10,511,839</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 2021

	30.11.21 £	1.12.20 £
Cash and cash equivalents	<u>4,398,127</u>	<u>9,184,692</u>

Year ended 30 November 2020

	30.11.20 £	1.12.19 £
Cash and cash equivalents	<u>9,184,692</u>	<u>3,024,797</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.12.20 £	Cash flow £	At 30.11.21 £
Net cash			
Cash at bank and in hand	<u>9,184,692</u>	<u>(4,786,565)</u>	<u>4,398,127</u>
	<u>9,184,692</u>	<u>(4,786,565)</u>	<u>4,398,127</u>
Debt			
Debts falling due within 1 year	(908,203)	(644,411)	(1,552,614)
Debts falling due after 1 year	<u>(7,226,778)</u>	<u>1,552,568</u>	<u>(5,674,210)</u>
	<u>(8,134,981)</u>	<u>908,157</u>	<u>(7,226,824)</u>
Total	<u>1,049,711</u>	<u>(3,878,408)</u>	<u>(2,828,697)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

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.

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.

Hire purchase and leasing commitments

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. ACCOUNTING POLICIES - continued

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

	2021 £	2020 £
Wages and salaries	12,029,470	7,892,680
Social security costs	1,100,467	712,912
Other pension costs	229,652	141,121
	<u>13,359,589</u>	<u>8,746,713</u>

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

	2021	2020
Directors	5	2
Staff	<u>514</u>	<u>335</u>
	<u>519</u>	<u>337</u>

	2021 £	2020 £
Directors' remuneration	374,674	265,296
Directors' pension contributions to money purchase schemes	<u>31,918</u>	<u>27,314</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	133,000	145,296
Pension contributions to money purchase schemes	<u>30,600</u>	<u>1,314</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Other operating leases	5,363,889	3,231,728
Depreciation - owned assets	2,840,039	1,579,903
Loss on disposal of fixed assets	4,957	35,117
Auditors' remuneration	<u>47,500</u>	<u>20,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Loan interest	<u>664,459</u>	<u>567,954</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

6. TAXATION

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	401,398	956,941
Deferred tax	822,653	142,018
Tax on profit	<u>1,224,051</u>	<u>1,098,959</u>

UK corporation tax was charged at 19%) in 2020.

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:

	2021 £	2020 £
Profit before tax	<u>5,914,440</u>	<u>5,695,994</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,123,744	1,082,239
Effects of:		
Expenses not deductible for tax purposes	9,813	11,538
Over/(under) provision in prior year	90,494	5,182
Total tax charge	<u>1,224,051</u>	<u>1,098,959</u>

7. DIVIDENDS

	2021 £	2020 £
Ordinary shares of 1p each		
Final	-	8,000
Interim	<u>5,000</u>	<u>1,800,000</u>
	<u>5,000</u>	<u>1,808,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Display stock £	Motor vehicles £	Totals £
COST					
At 1 December 2020	6,133,599	1,604,314	3,595,601	10,995	11,344,509
Additions	6,369,891	696,075	3,312,845	-	10,378,811
Disposals	(29,062)	-	(7,012)	-	(36,074)
At 30 November 2021	<u>12,474,428</u>	<u>2,300,389</u>	<u>6,901,434</u>	<u>10,995</u>	<u>21,687,246</u>
DEPRECIATION					
At 1 December 2020	969,557	622,617	1,546,291	8,169	3,146,634
Charge for year	927,324	344,836	1,567,172	707	2,840,039
Eliminated on disposal	(402)	-	(1,653)	-	(2,055)
At 30 November 2021	<u>1,896,479</u>	<u>967,453</u>	<u>3,111,810</u>	<u>8,876</u>	<u>5,984,618</u>
NET BOOK VALUE					
At 30 November 2021	<u>10,577,949</u>	<u>1,332,936</u>	<u>3,789,624</u>	<u>2,119</u>	<u>15,702,628</u>
At 30 November 2020	<u>5,164,042</u>	<u>981,697</u>	<u>2,049,310</u>	<u>2,826</u>	<u>8,197,875</u>

9. STOCKS

	2021 £	2020 £
Stocks	<u>15,838,961</u>	<u>7,590,806</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,181,511	984,788
Amounts owed by group undertakings	1,479,906	1,480,406
Other debtors	2,403,818	2,687,638
Prepayments and accrued income	834,525	990,723
	<u>5,899,760</u>	<u>6,143,555</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 13)	1,552,614	908,203
Trade creditors	12,751,597	7,851,109
Tax	18,533	957,114
Social security and other taxes	300,031	204,764
VAT	1,628,933	1,864,849
Other creditors	929,294	552,288
Accrued expenses	5,039,133	3,114,734
	<u>22,220,135</u>	<u>15,453,061</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

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

	2021	2020
	£	£
Bank loans (see note 13)	5,674,210	7,226,778
Directors' loan accounts	50,000	50,000
	<u>5,724,210</u>	<u>7,276,778</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>1,552,614</u>	<u>908,203</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>1,690,340</u>	<u>1,552,790</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,983,870</u>	<u>5,673,988</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	65,085	58,515
Between one and five years	992,137	778,280
In more than five years	<u>5,639,817</u>	<u>3,275,740</u>
	<u>6,697,039</u>	<u>4,112,535</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>7,226,824</u>	<u>8,134,981</u>

On 30 September 2020, a fixed and floating charge over the assets of the company was put in place in favour of TC Loans (CBILS) Limited for the loan taken out in the year to 30 November 2020.

16. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>1,261,805</u>	<u>439,152</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021****16. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax
	£
Balance at 1 December 2020	439,152
Charge to Income Statement during year	822,653
Balance at 30 November 2021	<u>1,261,805</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021	2020
			£	£
10,000	Ordinary	1p	<u>100</u>	<u>100</u>

18. RESERVES

	Retained earnings
	£
At 1 December 2020	7,947,837
Profit for the year	4,690,389
Dividends	(5,000)
At 30 November 2021	<u>12,633,226</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 2021, the company owed him £50,000 (2020 £50,000)

During the year the company sold goods to directors or their close family at a rate lower than market value to an amount of £8,595 (2020 £6,422).

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director C A Waddington who owns 62.4% (2020 62.4%) 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.