

REGISTERED NUMBER: 08073879 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023
FOR
CUBICO (UK) LIMITED**

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FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

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CUBICO (UK) LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023

DIRECTORS:

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

REGISTERED OFFICE:

Peel Avenue
Calder Business Park
Wakefield
West Yorkshire
WF2 7UA

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 PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

The directors present their strategic report for the period 1st December 2021 to 28th February 2023.

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 bathroom industry in the UK undoubtedly benefitted from the impact of the COVID-19 pandemic in 2020 and the associated actions taken by the UK Government to implement 'lock-downs', with the market seeing two consecutive years of uplift in spend. The company continues to take further market share during the reporting period with like-for-like turnover increasing by 39%.

REVIEW OF BUSINESS

As of 28th February 2023, the net assets of the business amounted to £10,805,515 (£12,633,326 at November 2021).

The results for the company show an operating loss of £(849,522) for the period to 28 February 2023 and turnover of £107,550,584 for the same period.

For operational reasons, the company extended its reporting period by 3 months, with the year-end date moving from November 2022 to February 2023. Like-for-like trading figures (December 2021 to November 2022) show an operating loss of £(1,340,389) v an operating profit of £6,578,899 in the 12 months to November 2021 and turnover of £86,410,480 v turnover of £62,298,279 in the 12 months to November 2021 (an increase of 39%).

In December 2021, the company moved to a purpose-built 330,000 sq. ft. facility at Calder Park in Wakefield, in which the company invested £8.3m during the period to ensure it becomes the state-of-the-art HQ and distribution centre needed to support further growth. Alongside its showrooms across the UK, it will mean the company's physical footprint will exceed 1million sq. ft, making Easy Bathrooms the largest retailer within the UK bathroom market.

The cost of the relocation of our Head Office functions from 5 locations across Yorkshire to the new HQ and the associated set-up costs are included in the period and have contributed to the overall operating loss. The company expects significant operational and financial efficiencies to result from the move to the new HQ in the mid to long-term, however, the new HQ was not fully functional until the second half of 2022 and so there have undoubtedly been some inefficiencies as we settled into the new facility.

The company has continued its policy to re-invest, where appropriate, to cement its position as the leading bathroom retailer in the UK and to ensure that we can bring revenues to appropriate levels to support the running costs of the new HQ. As of February 2023, the company operates 130 retail outlets, which accounted for 87% of total revenues during the period, with the remainder coming from business-to-business and online revenue streams.

The company opened 35 new stores during the reporting period, despite numerous challenges, with total investment in stores opened during the period valued at £10.2m (£10.1m in 12 months to November 2021).

The company has also continued to invest in the product portfolio, systems, and quality staff in key roles within the business. Notably, we have created several key roles in operations and invested heavily in technology to improve efficiencies, service, and the overall customer experience.

Continued investment has allowed the business to create 99 new job roles across the business in various geographical locations during the period (an uplift of 16%).

**STRATEGIC REPORT
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the group's 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 also continue to be dependent on availability of tradespeople. Since the year-end the company has introduced a Trade Loyalty scheme to aid retention of repeat trade business. The business also intends to introduce an installation option as an offering to retail customers, to ensure we offer an end-to-end service and maximise revenues. 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 - Given the ongoing uncertainty in the Ukraine and the Middle East 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 - Since the war in Ukraine began, economic growth projections for Europe have been revised down and inflation estimates ratcheted up, with recent results in the UK falling short of expectations. The Bank of England has warned that the impact of the conflicts in both the Ukraine and the Middle East continue to cause economic uncertainty. The base rate increases during the reporting period (from 0.25% to 4.00%) has resulted in increased pressure on UK borrowers. This is, in turn, having an impact on many UK businesses, particularly smaller businesses. Specific sensitivity analysis has been performed to ensure the ongoing viability of the company 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.

Competition in the bathroom market - The bathroom and tile markets are highly competitive, and the company keeps a close eye on actions of its competitors in both industries, ensuring we are keeping up to date and ahead of key product trends, that we are pricing competitively and that our overall offering, including our customer service levels, are superior to those of our competitors.

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 PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

SECTION 172(1) STATEMENT

The Board of Directors of Cubico Group 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 s 172(1) (a)-(f) of the Companies Act 2006) in the decisions taken during the period ended 28 February 2023.

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 bought a significant part of managing Health and Safety in house, with several new roles created to support. The team continue to introduce new safety measures and learning platforms to its stores and HQ, whilst ensuring that existing guidance is being followed.

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. While our intensity rating (CO2 emissions reporting) has increased year-on-year, this is mainly as a result of the new HQ and we are confident that we will see a natural return to previous levels as we grow into the facility and that we can make further progress on reducing this rating thereafter.

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:

	2023	2021
Turnover	£107,550,584	£62,298,279
Operating loss / profit	-£849,522 (-0.8%)	£6,578,899 (10.6%)

**STRATEGIC REPORT
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

FUTURE DEVELOPMENTS

Despite the continuing uncertainty and challenging economic environment, turnover is at record levels. The Directors remain confident in the company's strategy. Further opportunities for new store locations are being considered as the Group assesses its long-term plans to have coverage across key areas of the UK.

Turnover is expected to grow year-on-year as the stores opened in the reporting period gain traction and become more established. Additional new revenue streams are also being added to further diversify the company's offering. The opening of new stores will slow in the short-term as the company is focused on establishing operations at the new HQ and making sure we are driving operational efficiencies. The key focus is on warehousing and distribution functions to ensure a high level of customer service and further cement our position in the UK bathroom market.

ON BEHALF OF THE BOARD:

Ms L K Green - Director

29th February 2024

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

The directors present their report with the financial statements of the company for the period 1st December 2021 to 28th February 2023.

DIVIDENDS

An interim dividend of 50 per share was paid on 28th February 2023. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 28th February 2023 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 1st December 2021 to the date of this report.

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

GOING CONCERN

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

The group's forecasts demonstrate that, barring any significant disruption, the group will be able to operate within its facilities contained therein and will therefore have sufficient liquidity to meet its liabilities as they fall due in the period to 28 February 2024.

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

Accordingly, the financial statements for the period ended 28 February 2023 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 1st December 2021 to 28th February 2023, 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.

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.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

	Period to 28/02/2023	Year to 30/11/2022
Total Energy Consumption - Used for Emissions	7,950,930	5,581,527
Total Energy Consumption - Used for Emissions - average per operational site	65,235	57,994
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	1	1
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	1,446	731
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	687	257
Total Gross Reported Emissions (tCO ₂ e)	2,133	989
Turnover (£m)	107.6	62.3
Intensity Ratio: Turnover (tCO ₂ e I £m)	19.82	15.87

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:

Ms L K Green - Director

29th February 2024

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 period ended 28th February 2023 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 28th February 2023 and of its loss for the period 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

29th February 2024

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**INCOME STATEMENT
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

	Notes	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
TURNOVER		107,550,584	62,298,279
Cost of sales		<u>44,568,725</u>	<u>25,566,773</u>
GROSS PROFIT		62,981,859	36,731,506
Administrative expenses		<u>63,839,881</u> (858,022)	<u>31,038,139</u> 5,693,367
Other operating income		<u>8,500</u>	<u>885,532</u>
OPERATING (LOSS)/PROFIT	4	(849,522)	6,578,899
Interest payable and similar expenses	5	<u>992,780</u> (1,842,302)	<u>664,459</u> 5,914,440
(LOSS)/PROFIT BEFORE TAXATION			
Tax on (loss)/profit	6	<u>(19,491)</u>	<u>1,224,051</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u>(1,822,811)</u>	<u>4,690,389</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)

**OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

	Notes	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
(LOSS)/PROFIT FOR THE PERIOD		(1,822,811)	4,690,389
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(1,822,811)</u>	<u>4,690,389</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**BALANCE SHEET
28TH FEBRUARY 2023**

	Notes	2023 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	8		29,600,332		15,702,628
CURRENT ASSETS					
Stocks	9	15,563,084		15,838,961	
Debtors	10	7,630,507		5,899,760	
Cash at bank and in hand		<u>6,065,464</u>		<u>4,398,127</u>	
		29,259,055		26,136,848	
CREDITORS					
Amounts falling due within one year	11	<u>32,418,557</u>		<u>22,220,135</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(3,159,502)</u>		<u>3,916,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			26,440,830		19,619,341
CREDITORS					
Amounts falling due after more than one year	12		(14,228,867)		(5,724,210)
PROVISIONS FOR LIABILITIES	16		<u>(1,406,448)</u>		<u>(1,261,805)</u>
NET ASSETS			<u>10,805,515</u>		<u>12,633,326</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Retained earnings	18		<u>10,805,415</u>		<u>12,633,226</u>
SHAREHOLDERS' FUNDS			<u>10,805,515</u>		<u>12,633,326</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th February 2024 and were signed on its behalf by:

Ms L K Green - Director

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st December 2020	100	7,947,837	7,947,937
Changes in equity			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	4,690,389	4,690,389
Balance at 30th November 2021	<u>100</u>	<u>12,633,226</u>	<u>12,633,326</u>
Changes in equity			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	(1,822,811)	(1,822,811)
Balance at 28th February 2023	<u>100</u>	<u>10,805,415</u>	<u>10,805,515</u>

The notes form part of these financial statements

CUBICO (UK) LIMITED (REGISTERED NUMBER: 08073879)**CASH FLOW STATEMENT****FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

		Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	10,933,770	8,481,181
Interest paid		(992,780)	(664,459)
Tax paid		(490,919)	(1,373,740)
Taxation refund		-	33,269
Net cash from operating activities		<u>9,450,071</u>	<u>6,476,251</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,003,019)	(10,378,811)
Sale of tangible fixed assets		16	29,062
Net cash from investing activities		<u>(20,003,003)</u>	<u>(10,349,749)</u>
Cash flows from financing activities			
New loans in year		13,000,000	-
Loan repayments in year		(8,959,774)	(908,067)
New HP contracts in year		3,817,255	-
Capital repayments in year		(282,212)	-
Amount introduced by directors		4,650,000	-
Equity dividends paid		(5,000)	(5,000)
Net cash from financing activities		<u>12,220,269</u>	<u>(913,067)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,667,337</u>	<u>(4,786,565)</u>
Cash and cash equivalents at beginning of period	2	4,398,127	9,184,692
Cash and cash equivalents at end of period	2	<u>6,065,464</u>	<u>4,398,127</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
(Loss)/profit before taxation	(1,842,302)	5,914,440
Depreciation charges	6,071,126	2,840,038
Loss on disposal of fixed assets	25,190	4,957
Finance costs	992,780	664,459
	<u>5,246,794</u>	<u>9,423,894</u>
Decrease/(increase) in stocks	275,877	(8,248,155)
(Increase)/decrease in trade and other debtors	(1,094,227)	243,795
Increase in trade and other creditors	6,505,326	7,061,647
Cash generated from operations	<u>10,933,770</u>	<u>8,481,181</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:

Period ended 28th February 2023

	28.2.23 £	1.12.21 £
Cash and cash equivalents	<u>6,065,464</u>	<u>4,398,127</u>

Year ended 30th November 2021

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

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.21 £	Cash flow £	At 28.2.23 £
Net cash			
Cash at bank and in hand	<u>4,398,127</u>	<u>1,667,337</u>	<u>6,065,464</u>
	<u>4,398,127</u>	<u>1,667,337</u>	<u>6,065,464</u>
Debt			
Finance leases	-	(3,535,043)	(3,535,043)
Debts falling due within 1 year	(1,552,614)	(3,037,612)	(4,590,226)
Debts falling due after 1 year	<u>(5,674,210)</u>	<u>(993,631)</u>	<u>(6,667,841)</u>
	<u>(7,226,824)</u>	<u>(7,566,286)</u>	<u>(14,793,110)</u>
Total	<u>(2,828,697)</u>	<u>(5,898,949)</u>	<u>(8,727,646)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters in basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised costs using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or finance at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised costs are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Taxation

Taxation for the period 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 period 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

3. EMPLOYEES AND DIRECTORS

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Wages and salaries	23,260,827	12,029,470
Social security costs	2,229,879	1,100,467
Other pension costs	457,322	229,652
	<u>25,948,028</u>	<u>13,359,589</u>

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

	Period 1.12.21 to 28.2.23	Year ended 30.11.21
Directors	5	5
Staff	<u>680</u>	<u>514</u>
	<u>685</u>	<u>519</u>

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Directors' remuneration	531,883	374,674
Directors' pension contributions to money purchase schemes	<u>47,115</u>	<u>31,918</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Emoluments etc	180,751	133,000
Pension contributions to money purchase schemes	<u>44,400</u>	<u>30,600</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Other operating leases	10,879,186	5,363,889
Depreciation - owned assets	6,080,109	2,840,039
Loss on disposal of fixed assets	25,190	4,957
Auditors' remuneration	<u>39,500</u>	<u>47,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Loan interest	<u>992,780</u>	<u>664,459</u>

6. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Current tax: UK corporation tax	(164,134)	401,398
Deferred tax	<u>144,643</u>	<u>822,653</u>
Tax on (loss)/profit	<u>(19,491)</u>	<u>1,224,051</u>

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
(Loss)/profit before tax	<u>(1,842,302)</u>	<u>5,914,440</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(350,037)	1,123,744
Effects of: Expenses not deductible for tax purposes	11,285	9,813
Over/(under) provision in prior year	<u>319,261</u>	<u>90,494</u>
Total tax (credit)/charge	<u>(19,491)</u>	<u>1,224,051</u>

7. DIVIDENDS

	Period 1.12.21 to 28.2.23 £	Year ended 30.11.21 £
Ordinary shares of 1p each Interim	<u>5,000</u>	<u>5,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Display stock £	Motor vehicles £	Totals £
COST					
At 1st December 2021	12,474,428	2,300,389	6,901,434	10,995	21,687,246
Additions	8,773,241	7,587,832	3,641,946	-	20,003,019
Disposals	(19,149)	(6,032)	(63)	(10,995)	(36,239)
At 28th February 2023	<u>21,228,520</u>	<u>9,882,189</u>	<u>10,543,317</u>	<u>-</u>	<u>41,654,026</u>
DEPRECIATION					
At 1st December 2021	1,896,479	967,453	3,111,810	8,876	5,984,618
Charge for period	2,161,972	747,818	3,170,125	194	6,080,109
Eliminated on disposal	(434)	(1,529)	-	(9,070)	(11,033)
At 28th February 2023	<u>4,058,017</u>	<u>1,713,742</u>	<u>6,281,935</u>	<u>-</u>	<u>12,053,694</u>
NET BOOK VALUE					
At 28th February 2023	<u>17,170,503</u>	<u>8,168,447</u>	<u>4,261,382</u>	<u>-</u>	<u>29,600,332</u>
At 30th 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>

9. STOCKS

	2023 £	2021 £
Stocks	<u>15,563,084</u>	<u>15,838,961</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2021 £
Trade debtors	1,802,815	1,181,511
Amounts owed by group undertakings	1,479,906	1,479,906
Other debtors	2,595,994	2,403,818
Tax	636,520	-
Prepayments and accrued income	<u>1,115,272</u>	<u>834,525</u>
	<u>7,630,507</u>	<u>5,899,760</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2021 £
Bank loans and overdrafts (see note 13)	4,590,226	1,552,614
Hire purchase contracts (see note 14)	674,017	-
Trade creditors	16,313,761	12,751,597
Tax	-	18,533
Social security and other taxes	387,005	300,031
VAT	2,154,817	1,628,933
Other creditors	1,349,936	929,294
Accrued expenses	<u>6,948,795</u>	<u>5,039,133</u>
	<u>32,418,557</u>	<u>22,220,135</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

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

	2023	2021
	£	£
Bank loans (see note 13)	6,667,841	5,674,210
Hire purchase contracts (see note 14)	2,861,026	-
4% unsecured loan notes 2023	4,700,000	50,000
	<u>14,228,867</u>	<u>5,724,210</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2023	2021
	£	£
Amounts falling due within one year or on demand: Bank loans	<u>4,590,226</u>	<u>1,552,614</u>
Amounts falling due between one and two years: Bank loans - 1-2 years	<u>1,645,144</u>	<u>1,690,340</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>5,022,697</u>	<u>3,983,870</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2021
	£	£
Net obligations repayable:		
Within one year	674,017	-
Between one and five years	<u>2,861,026</u>	<u>-</u>
	<u>3,535,043</u>	<u>-</u>
	Non-cancellable	operating leases
	2023	2021
	£	£
Within one year	6,892,965	65,085
Between one and five years	22,726,970	992,137
In more than five years	<u>11,489,642</u>	<u>5,639,817</u>
	<u>41,109,577</u>	<u>6,697,039</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023****15. SECURED DEBTS**

The following secured debts are included within creditors:

	2023 £	2021 £
Bank loans	11,258,067	7,226,824
Hire purchase contracts	3,535,043	-
	<u>14,793,110</u>	<u>7,226,824</u>

16. PROVISIONS FOR LIABILITIES

	2023 £	2021 £
Deferred tax		
Accelerated capital allowances	<u>1,406,448</u>	<u>1,261,805</u>

	Deferred tax £
Balance at 1st December 2021	1,261,805
Provided during period	144,643
Balance at 28th February 2023	<u>1,406,448</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2023 £	2021 £
10,000	Ordinary	1p	<u>100</u>	<u>100</u>

18. RESERVES

	Retained earnings £
At 1st December 2021	12,633,226
Deficit for the period	(1,822,811)
Dividends	(5,000)
At 28th February 2023	<u>10,805,415</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, directors provided funds to the company. At 28 February 2023, the company owed them £4,700,000 (2021 £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 £5,742 (2021 £8,595).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST DECEMBER 2021 TO 28TH FEBRUARY 2023**

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director C A Waddington who owns 53.8% (2021 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.