

**Cube Homes Limited (formerly Cube Great Places Limited)  
Report and Financial Statements  
For the Year ended 31 March 2019**

**CUBE HOMES LIMITED**  
**Year ended 31 March 2019**  
**CONTENTS**

	PAGE
Company Information	3
Strategic Report	4
Report of the Directors	6
Independent Auditor's report to the members of Cube Homes Limited	8
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

**CUBE HOMES LIMITED**  
**Year ended 31 March 2019**  
**COMPANY INFORMATION**

**Directors**

Chair  
W. Taylor (to 31/07/2018)  
D. Robinson (from 01/08/2018)  
*D Robinson was a director for the whole reporting period*

Other Directors  
M. Harrison  
B. Ahmad  
E. Prichard-Selby (from 01/11/2018)

**Company secretary**  
P. Elvy

**Registered office**  
2a Derwent Avenue  
Manchester  
M21 7QP

**Website**  
<https://www.greatplaces.org.uk/about-us/cube>

**Registered Number**  
Companies House No. 06342867

**External Auditors**  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

**Internal Auditors**  
PwC  
No 1  
1 Hardman Square  
Manchester  
M3 3EB

**Bankers**  
The Royal Bank of Scotland plc  
P.O. Box 356  
38 Mosley Street  
Manchester  
M60 2BE

### **Principal Activities**

The principal activity of the Company during the year was undertaking development of properties for outright sale, and the development and management of properties for market rent. The company is registered under the Companies Act 2006, is a company limited by share capital and is incorporated in the United Kingdom. On 3 January 2019, Cube Homes Limited (“Cube”) changed its name from Cube Great Places Limited. On 14 January 2019, Cube Great Places Limited, a wholly owned subsidiary, was incorporated; the subsidiary did not trade during the year.

### **Business Review**

2018/19 has been another successful year for Cube with a turnover of £5,035k (2018: £3,108k) and a profit after tax of £839k (2018: £742k). Having gift aided £409k (2018: £300k) to Great Places Housing Association, the charitable parent, the remaining profit has been retained within the business.

Cube’s joint venture arrangement with Galliford Try for an outright sale scheme in Gorton, Manchester has delivered another 38 units in this financial year. This was a financial arrangement where Cube is funding 50% of the total development costs and in return will receive 50% of the sales proceeds. All units have now been sold therefore the remaining balance is included as a debtor.

During the year, Cube entered into another joint venture, along with nine other registered providers in the Greater Manchester area to create GMJV Fundco who, along with the Greater Manchester Combined Authority created Hive Homes (Greater Manchester) LLP. This is a financial arrangement where Cube will be investing up to £3m as a mix of debt and equity into Hive Homes.

In addition to this during 2018/19 Cube sold 17 units (with a further 11 exchanged) at Arkwright Place in Gorton, Manchester generating £5m of sales revenue. Cube had successfully sold all but two of the completed units by the end of March 2019. Cube is currently in contract developing a number of schemes for outright sale as well as private rented stock including:

- Melland Road, Gorton. (Arkwright Place) This large mixed tenure site comprises 131 units - 101 houses for market sale and 30 for shared ownership by GPHA. The site is active and selling. Legal completions expected over the period September 2018 to April 2020.
- Duchy Road, Salford. This mixed tenure site comprises 72 units – 32 houses for market sale and 40 in a mixture of affordable tenures. The site is active. Legal completions are expected over the period April 2020 to January 2021.
- The Kingsway, Manchester. 27 market rent apartments and 4 market sale town houses. The site is active. Legal completions are expected by March 2020. The Market rent apartments will be available in the Summer of 2020.
- The development at Prestwich Golf Course comprises 17 large 4 and 5 bedroom homes in the affluent Manchester suburb of Prestwich. The site is active. Legal completions are expected over the period December 2019 to July 2020.

### **Key performance indicators and risks and uncertainties**

Cube has 11 key performance indicators that are monitored monthly. These cover both outright sales and market rent activities. They include the profit achieved from outright sales, the number of sales achieved, and income generated from market rented properties. Other indicators specifically cover the development activities of Cube.

**CUBE HOMES LIMITED**

**Year ended 31 March 2019**

**STRATEGIC REPORT**

The Cube Board has identified that the main risk for the Company comes from its outright sales activity. The Cube management team monitor this risk through monthly sales progress reports and updates are also provided to the Board at each Board meeting.

The Company carries out the majority of its trading activity within the wider Great Places Housing Group Limited. Reference should therefore be made to the financial statements of Great Places Housing Group Limited. Cube is able to draw on an internal revolving loan facility of up to £40 million from Great Places Housing Association to fund its activities.

**BY ORDER OF THE BOARD**



**P. Elvy**

**Secretary**

**3 July 2019**

**CUBE HOMES LIMITED**  
**Year ended 31 March 2019**  
**REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 31 March 2019.

The Company's principal activities, business review, key performance indicators, and risks and uncertainties are included in the Strategic Report on page 4.

**Directors**

Details of the directors are set out on page 3.

**Employees**

The company has no employees.

**Statement of responsibilities of the directors**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Going concern**

The directors have prepared these accounts on a going concern basis, which they believe is appropriate. This is because the approved business plan forecasts that surpluses will continue from 2019/20 onwards.

**CUBE HOMES LIMITED**  
**Year ended 31 March 2019**  
**REPORT OF THE DIRECTORS**

**Auditors**

The directors confirm that:

- in so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution to re-appoint BDO LLP will be proposed at the AGM on 19 September 2019 in accordance with Section 487(2) of the Companies Act 2006.

**BY ORDER OF THE BOARD**



**P. Elvy**  
**Secretary**  
**3 July 2019**

## **CUBE HOMES LIMITED**

**Year ended 31 March 2019**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUBE HOMES LIMITED**

#### **Opinion**

We have audited the financial statements of Cube Homes Limited (formerly Cube Great Places Limited) ("the Company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position and the statement of changes in equity, and the 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 31 March 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 Auditor's 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 included in the Annual Report, other than the financial statements and our auditor's report 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



## **CUBE HOMES LIMITED**

**Year ended 31 March 2019**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUBE HOMES LIMITED**

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

#### **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 and Director's report.

We have nothing to report in respect of the following matters in relation to which 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 responsibilities of the directors, 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 is 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.

#### **Auditor's 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 an auditor's report 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.

**CUBE HOMES LIMITED**

**Year ended 31 March 2019**

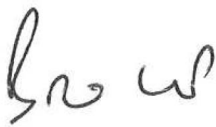
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUBE HOMES LIMITED**

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Julien Rye** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

1 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CUBE HOMES LIMITED**

Year ended 31 March 2019

**STATEMENT OF COMPREHENSIVE INCOME**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	2	5,035,338	3,108,252
Cost of sales		(3,886,819)	(2,327,109)
<b>Gross profit</b>		<b>1,148,519</b>	<b>781,143</b>
Administrative expenses		(437,487)	(273,814)
<b>Operating profit</b>	3	<b>711,032</b>	<b>507,329</b>
Interest receivable	4	967	71
Interest payable and similar charges	5	(192,277)	(166,990)
Movement in fair value of investment properties	8	150,000	134,680
Income from current asset investment	12	198,259	286,297
<b>Profit on ordinary activities before taxation</b>		<b>867,981</b>	<b>761,387</b>
Tax on profit on ordinary activities	6	(28,509)	(19,721)
<b>Profit for the year and total comprehensive income</b>		<b>839,472</b>	<b>741,666</b>

All amounts derive wholly from continuing operations.

There are no other recognised gains and losses other than the results for the year.

The notes on pages 14 to 21 form part of these financial statements.

**CUBE HOMES LIMITED**  
**Year ended 31 March 2019**  
**STATEMENT OF FINANCIAL POSITION**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investment property	8	3,500,832	4,542,092
Investment in joint venture	9	50,000	-
<b>Total fixed assets</b>		<u>3,550,832</u>	<u>4,542,092</u>
<b>Current assets</b>			
Stock and works in progress	10	15,989,113	3,944,889
Debtors	11	758,977	539,689
Current asset investments	12	-	2,079,544
Cash at bank and in hand		34,975	47,219
		<u>16,783,065</u>	<u>6,611,341</u>
<b>Creditors:</b> Amounts falling due within one year	13	(668,200)	(836,279)
<b>Net current assets</b>		<u>16,114,865</u>	<u>5,775,062</u>
<b>Total assets less current liabilities</b>		<u>19,665,697</u>	<u>10,317,154</u>
<b>Creditors:</b>			
Amounts falling due after more than one year	14	(17,683,919)	(8,765,848)
		<u>1,981,778</u>	<u>1,551,306</u>
<b>Capital and reserves</b>			
Share capital	15	100	100
Revenue reserves		1,672,984	1,392,512
Revaluation reserve		308,694	158,694
<b>Shareholder's funds</b>		<u>1,981,778</u>	<u>1,551,306</u>

The accompanying notes on pages 14 to 21 form part of these financial statements.

These financial statements were approved by the Board of directors on 3 July 2019 and signed on its behalf by:



**D. Robinson**  
**Director**

Companies House No. 06342867

**CUBE HOMES LIMITED**

Year ended 31 March 2019

**STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital</b>	<b>Revenue reserves</b>	<b>Revaluation reserve</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 April 2018	100	1,392,512	158,694	1,551,306
Surplus for the year and total comprehensive income	-	839,472	-	839,472
Transfers	-	(150,000)	150,000	-
Gift aid payment (see note 7)	-	(409,000)	-	(409,000)
<b>As at 31 March 2019</b>	<b>100</b>	<b>1,672,984</b>	<b>308,694</b>	<b>1,981,778</b>

	<b>Share capital</b>	<b>Revenue reserves</b>	<b>Revaluation reserve</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 April 2017	100	1,085,526	24,014	1,109,640
Surplus for the year and total comprehensive income	-	741,666	-	741,666
Transfers	-	(134,680)	134,680	-
Gift aid payment (see note 7)	-	(300,000)	-	(300,000)
<b>As at 31 March 2018</b>	<b>100</b>	<b>1,392,512</b>	<b>158,694</b>	<b>1,551,306</b>

Transfers relate to fair value movement on investment properties (note 8).

## **CUBE HOMES LIMITED**

**Year ended 31 March 2019**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Legal status**

The company is registered under the Companies Act 2006, is a private company limited by share capital and is incorporated in the United Kingdom. On 3 January 2019, Cube Homes Limited changed its name from Cube Great Places Limited. On 14 January 2019, Cube Great Places Limited a wholly owned subsidiary was incorporated (to protect the previous name and this company will remain dormant).

#### **2. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The following principal accounting policies have been applied:

##### **Disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Great Places Housing Group Limited as at 31 March 2019 and these financial statements may be obtained from their registered office at 2a Derwent Avenue, Manchester, M21 7QP.

##### **Turnover**

Turnover comprises market rental income net of voids receivable in the year on an accruals basis, sales of properties built for outright sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year. Income from sales of properties built for sale is recognised at the point of legal completion of the sale. All turnover arises within the United Kingdom.

##### **Interest payable**

Interest is capitalised on borrowings to finance developments up to the date of practical completion if it represents either:

- a) interest on borrowings specifically financing the development programme; or
- b) interest on borrowings of the Company as a whole to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the profit and loss account in the year.

##### **Stock and work in progress**

Property for resale is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate, based on anticipated selling price less costs to sell. No element of profit is included in the valuation of work in progress.

Land is valued at the lower of cost and net realisable value, land purchased that is directly attributable to a development scheme is included within work in progress.

**2. Accounting policies (continued)**

**Financial assets**

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

**Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

**Investment properties**

Investment properties are principally properties which are available for rent at a market value rate or are properties that are commercial properties.

Properties in the course of construction are held at fair value and they are reviewed annually. Completed investment properties are revalued annually to their fair value and no depreciation is provided. The Directors consider that this accounting policy results in the financial statements giving a true and fair view.

Changes in fair value are recognised in profit and loss. The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is retained in the profit and loss reserve ("Revenue reserve").

**Current asset investments**

The Company entered into a partnership arrangement with a commercial builder, to develop and sell new homes and this has been accounted for as a financing transaction. The return on investment is calculated based on an implied rate of return on cash outflows in the financing agreement. Current asset investments in partnership arrangements are held at cost subject to any impairment.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

- Determining whether property held for resale is stated at the lower of cost and net realisable value (including selling costs). Management make use of various sources of information in making this assessment including cost comparison to original development plan, internal development team cost expectations, post year-end sales activity, data from the internal sales team and market information from similar projects.
- Valuation of investment property involves significant judgement and expertise. Investment properties are professionally valued annually by an external firm of chartered surveyors on the basis of market value. These third party valuations are sense checked using our own knowledge of the properties and market data available regarding similar properties.

## CUBE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 3. Operating profit

Operating profit is arrived at after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	5,450	5,350
-for other services relating to taxation	2,590	2,239

The company has no employees (2018: none). The directors received remuneration for their services to the company from Great Places Housing Group Limited, the ultimate parent company of Cube Homes Limited of £13k (2018: £9k).

#### 4. Interest receivable and other income

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income	967	71

#### 5. Interest payable and similar charges

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Intra group loans	863,392	393,364
Amortisation of loan arrangement fees	-	9,129
Less: Interest payable capitalised on housing properties under construction	(671,115)	(235,503)
	<b>192,277</b>	<b>166,990</b>



## CUBE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. Corporation tax

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

	2019	2018
	£	£
<b>Analysis of the charge in the period:</b>		
Current tax charge for the year	28,509	51,661
Current tax adjustment in respect of prior years	-	(31,940)
UK corporation tax charge for year	<u>28,509</u>	<u>19,721</u>
<b>Factors affecting tax charge for the period:</b>		
Profit on ordinary activities before tax	867,981	761,387
Gift aid payment	(409,000)	(300,000)
	<u>458,981</u>	<u>461,387</u>
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	87,206	87,664
Expenses not deductible for tax purposes (primarily development expenditure)	(58,697)	(36,003)
Adjustments in respect of prior years	-	(31,940)
	<u>28,509</u>	<u>19,721</u>

#### 7. Gift Aid

A gift aid payment of £409k (2018: £300k) to Great Places Housing Association was paid on 25 March 2019 in respect of the year end 31 March 2019. Therefore, for the purposes of s338 of the Income and Corporation Taxes Act 1988, the company deemed this to be a charge on income in the accounting period ended 31 March 2019 thereby reducing its corporation tax charge for that year to £28,509. Gift aid has been treated as a distribution in the Statement of Changes in Equity (page 13).

	2019	2018
	£	£
Great Places Housing Association	409,000	300,000
	<u>409,000</u>	<u>300,000</u>

**CUBE HOMES LIMITED**

Year ended 31 March 2019

**NOTES TO THE FINANCIAL STATEMENTS****8. Investment properties**

The completed investment properties were valued at 31 March 2019 by Aspin and Company Chartered Surveyors, on the basis of Market Value, as defined in the Valuation Standards of the Royal Institution of Chartered Surveyors. Under construction investment properties represents recently acquired land therefore management believe this cost reflects the fair value at 31 March 2019.

	Investment Properties completed	Investment Properties under construction	Investment Properties Total 2019	Investment Properties Total 2018
	£	£	£	£
<b>As at 1 April</b>	1,965,000	2,577,092	4,542,092	2,504,800
Additions	-	58,911	58,911	1,902,612
Reclassified	-	(1,250,171)	(1,250,171)	-
Revaluation	150,000	-	150,000	134,680
<b>As at 31 March</b>	<b>2,115,000</b>	<b>1,385,832</b>	<b>3,500,832</b>	<b>4,542,092</b>

The surplus on revaluation of investment properties was £150,000 (2018: £134,680). Of this £150,000, (2018: £134,680) has been credited to the revaluation reserve as it represents an increase to original property values. The reclassification relates to properties originally intended for market rent which have now been sold on the open market. The decision to sell was made prior to their completion.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Gross cost	4,365,335	2,480,786
Additions	58,911	1,902,612
Reclassified	(1,250,171)	-
Accumulated depreciation based on historical cost	(36,126)	(18,063)
<b>Historical cost net book value</b>	<b>3,137,949</b>	<b>4,365,335</b>

## CUBE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 9. Fixed asset investment

Cube has entered into a joint venture arrangement with 9 other registered providers to create GMJV FundCo LLP. GMJV FundCo LLP, together with the Greater Manchester Combined Authority have invested in Hive Homes (Greater Manchester) LLP which is the delivery vehicle to build homes for outright sale. This is a financial arrangement where Cube will be investing up to £3m as a mix of debt and equity into Hive Homes.

	<b>GMJV</b>
	<b>£</b>
As at 1 April 2018	-
Additions	50,000
Disposal	-
As at 31 March 2019	<u>50,000</u>

#### 10. Stock and work in progress

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Properties for resale - Work in progress	15,989,113	3,944,889
	<u>15,989,113</u>	<u>3,944,889</u>

#### 11. Debtors

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Due from group undertakings	10,597	4,103
Others debtors	748,380	535,586
	<u>758,977</u>	<u>539,689</u>

All amounts are due to be received within 12 months. Amounts due from group undertakings are repayable on demand and do not attract interest charges.

#### 12. Current asset investments

In the previous financial year 2017/18, Cube entered into a partnership arrangement to build new homes. The current asset investment as at 31 March 2018 related to the funding advanced as part of this arrangement. All units have now been sold therefore the remaining balance is included as a debtor. In the year 2019, interest from current asset investments of £198,259 (2018: £286,297) has been recognised in relation to this arrangement.

## CUBE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 13. Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	80,561	119,849
Trade creditors	108,580	15,162
Corporation tax	36,492	39,661
Accruals and deferred income	313,283	543,177
Other creditors	129,284	118,430
	<b>668,200</b>	<b>836,279</b>

Amounts owed to group undertakings due in less than one year are repayable on demand and do not attract interest charges.

#### 14. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Loan due to parent undertaking	17,683,919	8,765,848
	<b>17,683,919</b>	<b>8,765,848</b>

The loan from Great Places Housing Association Limited is repayable at the end of the 25 year term which expires in 2038. The loan bears interest at a fixed rate of 6%.

#### 15. Share capital

##### Share capital

	2019	2018
	£	£
100 Ordinary shares of £1 each	100	100
	<b>No</b>	<b>No</b>
Allotted, called up and fully paid	100	100

## CUBE HOMES LIMITED

Year ended 31 March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 16. Financial commitments

Capital expenditure commitments and funding arrangements were as follows:

	2019	2018
	£	£
<b>Capital expenditure commitments were as follows:</b>		
Expenditure contracted but not provided for in the accounts	12,563,180	16,425,117
Expenditure authorised by the Board, but not contracted	25,053,156	8,544,363
	<b>37,616,336</b>	<b>24,969,480</b>
<b>Capital commitments will be funded as follows:</b>		
Existing loan facilities	8,742,385	8,630,131
Outright sales	28,873,951	16,339,349
	<b>37,616,336</b>	<b>24,969,480</b>

#### 17. Related party transaction

The Company has taken advantage of the exemption available not to disclose transactions between group companies on the basis that it is included in the consolidated accounts of Great Places Housing Group Limited.

#### 18. Ultimate controlling party

The ultimate controlling party of the Company is Great Places Housing Group Limited ("Great Places"), which is a company registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act.

The immediate parent company of Cube Homes Limited is Great Places Housing Association, itself a subsidiary of Great Places, which is also a company registered under the Co-operative and Community Benefit Societies Act 2014.

The consolidated accounts of Great Places Housing Group can be obtained from Great Places Housing Group Limited, 2a Derwent Avenue, Manchester, M21 7QP, or via its website at [www.greatplaces.org.uk](http://www.greatplaces.org.uk).