

Company Registration Number 06342867

**Cube Great Places Limited
Report and Financial Statements
For the Year Ended 31 March 2016**

CUBE GREAT PLACES LIMITED
Year ended 31 March 2016

CONTENTS

	PAGE
Company Information	1
Report of the Directors	2
Report of the Independent Auditors Report to the Members of Cube Great Places Limited	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

CUBE GREAT PLACES LIMITED
Year ended 31 March 2016

COMPANY INFORMATION

Directors

Chairman	W. Taylor
Other Members	M. Harrison D. Robinson

External Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Internal Auditors

PWC
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Company Secretary P Elvy

Registered office Southern Gate
729 Princess Road
MANCHESTER
M20 2LT

Bankers

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

Web site www.greatplaces.org.uk

Registered Number Companies House No.
06342867

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2016.

Principal Activities

The principal activity of the Company during the year was undertaking development of properties for outright sale and development and the management of properties for market rent. The company is registered under the Companies Act 2006.

Business Review

2015/16 has been a highly successful year for Cube with a turnover of £6.8M and a profit after tax of £765k. This profit has been retained within the business, having gift aided £957k to Great Places Housing Association, our charitable parent.

The highly successful Great Stone Gardens scheme in Stretford saw 31 of 32 units sold in the year (the final unit completed in April) generating £5.4M of sales revenue. The Brook Gardens scheme in Worsley also started generating sales with 3 completions prior to the year end, 6 more within the first two months of 2016/17, with the remaining 3 units on the scheme all reserved. Leesbrook in Oldham started achieving sales completion early in 2016/17 with only six of the 22 homes currently unsold or unreserved. Further sales schemes will be starting on site on Bolton and Frodsham in the next few weeks.

The market renting part of the business has also had a good year with improving performance achieved on the 101 unit portfolio and another 56 units now in development with handover of 15 new houses for rent in Salford due in the autumn. The rented portfolio is supplemented by a growing agency business, most notably the highly successful “Tribe” apartments in Manchester where Cube provides a lettings and property management service for 192 apartments.

Key performance indicators and risks and uncertainties

The Company carries out the majority of its trading activity within the wider Great Places Housing Group. Reference should therefore be made to the financial statements of Great Places Housing Group. Cube is able to draw on an internal revolving loan facility of up to £25M from Great Places Housing Association to fund its activities.

Directors

Details of the directors are set out on page 1.

Employees

The company has no employees.

Statement of responsibilities of the directors

The directors are responsible for preparing 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 laws). 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 for that period. In preparing these financial statements, the directors are required to:

REPORT OF THE DIRECTORS

Statement of responsibilities of the directors (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2016/17 onwards.

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 8th September 2016 in accordance with Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



Phil Elvy
Secretary
6th July 2016

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CUBE GREAT PLACES LIMITED

We have audited the financial statements of Cube Great Places Limited for the year ended 31 March 2016 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

CUBE GREAT PLACES LIMITED
Year ended 31 March 2016

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CUBE GREAT PLACES LIMITED

Matters on which we are required to report by exception (continued)

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

BDO LLP

Hamid Ghafoor
Senior statutory auditor
For and on behalf of BDO LLP
Statutory Auditor
Manchester
United Kingdom

Date 2/08/2016.

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

CUBE GREAT PLACES LIMITED
Year ended 31 March 2016

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	2	6,821,826	522,766
Cost of sales		<u>(4,700,285)</u>	<u>(344,332)</u>
Gross profit		2,121,541	178,434
Administrative expenses		<u>(191,565)</u>	<u>(77,560)</u>
Operating Profit	3	1,929,976	100,874
Interest receivable	4	1	9
Interest payable and similar charges	5	<u>(10,909)</u>	<u>(11,204)</u>
Profit on ordinary activities before taxation		1,919,068	89,679
Gift Aid	6	(957,728)	(6,789)
Tax on profit on ordinary activities	7	<u>(196,255)</u>	<u>(17,271)</u>
Profit for the year		<u><u>765,085</u></u>	<u><u>65,619</u></u>

All amounts derive wholly from continuing operations.

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

Historical cost profits and losses were identical to those shown in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

CUBE GREAT PLACES LIMITED
Year ended 31 March 2016

BALANCE SHEET

	Note	2016 £	2015 £
Fixed assets			
Investment property	8	820,480	-
Investment in joint venture	9	46,978	46,978
Total fixed assets		<u>867,458</u>	<u>46,978</u>
Current assets			
Stock and works in progress	10	5,302,125	3,907,991
Debtors	11	199,067	27,433
Cash at bank and in hand		5,000	515,346
		5,506,192	4,450,770
Creditors: Amounts falling due within one year	12	<u>(1,657,955)</u>	<u>(1,129,983)</u>
Net current assets		<u>3,848,237</u>	<u>3,320,787</u>
Total assets less current liabilities		<u>4,715,695</u>	<u>3,367,765</u>
Creditors:			
Amounts falling due after more than one year	13	<u>(3,836,893)</u>	<u>(3,254,048)</u>
		<u>878,802</u>	<u>113,717</u>
Capital and reserves			
Share capital	14	100	100
Revenue reserves	15	878,702	113,617
Shareholder's funds		<u>878,802</u>	<u>113,717</u>

The notes on pages 8 to 12 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the board of directors and authorised for issue on the 6th July 2016 and were signed on its behalf by:



W. Taylor
Director
Company No: 06342867

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The company is registered under the Companies Act 2006, and is a company limited by share capital.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements comply with the Companies Act 2006, and are prepared under the historical cost basis of accounting.

Turnover

Turnover comprises market rental income net of voids receivable in the year, 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.

Work in progress

Work in progress 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. No element of profit is included in the valuation of work in progress.

Land

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.

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 initially at cost. Completed investment properties are revalued annually to their fair value and no depreciation is provided. The Board consider that this accounting policy results in the financial statements giving a true and fair view.

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 charged to the profit and loss account.

Fixed asset investments – joint ventures

Fixed asset investments in joint venture arrangements are held at cost subject to any impairment.

NOTES TO THE FINANCIAL STATEMENTS

3. Operating profit

	2016	2015
	£	£
Operating profit is stated after charging:		
Auditors' remuneration (excluding VAT):		
- for the audit of the financial statements	4,000	4,000
- for other services relating to taxation	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

The company has no employees (2015: none) and the directors received remuneration for their services to the company from Great Places Housing Group, the ultimate parent company of Cube Great Places of £4,000 (2015: £4,000).

4. Interest receivable and other income

	2016	2015
	£	£
Interest receivable and similar income	<u>1</u>	<u>9</u>

5. Interest payable and similar charges

	2016	2015
	£	£
Intercompany loans	303,566	111,157
Less: interest payable capitalised on housing properties under construction	(292,657)	(99,953)
	<u>10,909</u>	<u>11,204</u>

6. Gift Aid

	2016	2015
	£	£
Proposed Gift Aid to be paid in accordance with s339 (7AA) of the Income and Corporation Taxes Act 1988	<u>957,728</u>	<u>6,789</u>

A gift aid payment of £957,728 (2015: £nil) to Great Places Housing Association was declared by the Board of Cube Great Places Limited on 2 February 2016 in respect of the year end 31 March 2016. 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 2016 thereby reducing its liability to corporation tax for that year to £196,255.

In relation to 2014/15 a gift aid payment of £6,789 was made to Great Places Housing Association on the 28 November 2014 in respect of the year ended 31 March 2014. 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 2014 thereby reducing its liability to corporation tax for that year to £nil.

NOTES TO THE FINANCIAL STATEMENTS

7. Corporation tax

a) Analysis of the charge in the period:

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

	2016	2015
	£	£
UK Corporation tax charge for the year	<u>196,255</u>	<u>17,271</u>
b) Factors affecting tax charge for the period:		
Profit on ordinary activities before tax	1,919,068	89,679
Gift aid payment not subject to UK taxation	(957,728)	-
Profits subject to UK taxation	<u>961,340</u>	<u>89,679</u>
Tax on profit on ordinary activities at standard rate of corporation tax rate in the UK of 20% (2015: 21%)	192,268	18,833
Adjustments in respect of prior years	<u>3,987</u>	<u>(1,562)</u>
	<u>196,255</u>	<u>17,271</u>

8. Investment property

	Assets in the course of construction £
At 1 April 2015	-
Additions	820,480
At 31 March 2016	<u>820,480</u>

9. Fixed asset investment

	2016	2015
	£	£
Investment in joint venture:		
Investment in Inspiral Developments Oldham LLP	<u>46,978</u>	<u>46,978</u>

This is a joint venture with Pinnacle Regeneration Limited.

10. Stock and work in progress

	2016	2015
	£	£
Stocks	103,544	-
Works in progress	5,198,581	3,907,991
	<u>5,302,125</u>	<u>3,907,991</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Debtors

	2016	2015
	£	£
Amounts owed by group undertakings	153,989	11,992
Other debtors	45,078	15,441
	<u>199,067</u>	<u>27,433</u>

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	1,021,262	853,258
Trade Creditors	15,073	10,700
Corporation tax	192,268	18,833
Accruals and deferred income	127,878	122,192
Other creditors	301,474	125,000
	<u>1,657,955</u>	<u>1,129,983</u>

13. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Loan due to parent undertaking	3,867,717	3,284,872
Less: Loan arrangement fees	(30,824)	(30,824)
	<u>3,836,893</u>	<u>3,254,048</u>

14. Share capital

Authorised share capital

	2016	2015
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. Reserves

	Profit and loss reserve
	£
At 1 April 2015	113,617
Surplus for the year	<u>765,085</u>
At 31 March 2016	<u>878,702</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Financial commitments	2016	2015
	£	£
Capital expenditure commitments were as follows:		
Expenditure contracted for but not provided in the accounts	2,523,330	8,096,610
Expenditure authorised by the board, but not contracted	5,860,458	3,076,810
	<u>8,383,788</u>	<u>11,173,420</u>
Capital commitments for the company will be funded as follows:	2016	2015
	£	£
Existing loan facilities	2,827,288	3,448,420
Outright sales income	5,556,500	7,725,000
	<u>8,383,788</u>	<u>11,173,420</u>

17. Related party transactions

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.

The Company has paid £nil (2015: £nil) to Inspiral Developments Oldham LLP (see note 8) during the year and received back £nil (2015: £125,000).

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 which is a registered provider.

The immediate parent company of Cube Great Places 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 Limited can be obtained from Great Places Housing Group Limited, Southern Gate, 729 Princess Road, Manchester, M20 2LT, or from its website at www.greatplaces.org.uk.