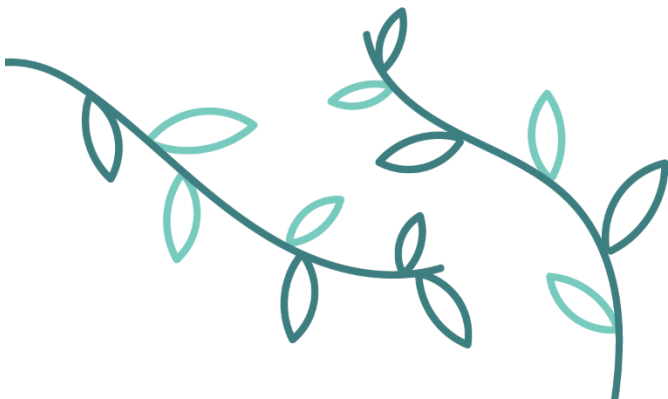


Company Registration Number 06342867

Cube Homes Limited
Report and Financial Statements
For the year ended 31 March 2024



CUBE HOMES

CUBE HOMES LIMITED
Year ended 31 March 2024
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Directors

D. Robinson (Chair) - resigned 21 September 2023
E. Mountford – Chair from 21 September 2023
M. Harrison - resigned 30 June 2024
B. Ahmad - resigned 21 September 2023
J. Williamson
D. Clegg – appointed 6 March 2024
J.P. Case – appointed 6 March 2024
P. Ricketts - appointed 11 May 2023, resigned 31 December 2023

Company secretary

P. Elvy - resigned 8 February 2024
J. Mclean – appointed 9 February 2024

Registered office

2a Derwent Avenue
Manchester
M21 7QP

Website

<https://www.cubehomes.com/>

Registered Number

Companies House No. 06342867

External Auditors

Beever and Struthers
One Express
1 George Leigh St
Ancoats
Manchester
M4 5DL

Internal Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Bankers

The Royal Bank of Scotland plc
Parklands
3 De Havilland Way
Bolton
BL6 4YU

CUBE HOMES LIMITED

Year ended 31 March 2024

STRATEGIC REPORT (Continued)

Principal activities

The principal activities of Cube Homes Limited (“Cube” or “the Company”) during the year was undertaking development of properties for market sale and the development and management of properties for market rent. Cube is registered under the Companies Act 2006, is a company limited by share capital and is incorporated in the United Kingdom.

Business review

2023/24 has been a challenging year for Cube with turnover of £2.7m (2022/23: £14.5m) and a profit after tax of £422k (2022/23: £3.6m). Performance was below previous years due to delays getting construction started on site.

During 2023/24 Cube sold a total of 2 units with sales revenue of £1.5m. The properties developed and completed during the year were:

- 2 homes at Star Lane / Capella Close, generating £1.5m of sales revenue
- Another 7 homes were completed at Star Lane. Of these 1 legally completed in April with the sales on the remaining 6 properties awaiting completion . There are 2 properties reserved with expected completion in July/August.

We are continuing to progress with construction at the below sites:

- Haven Lane, Oldham is an entirely market sale development comprising 23 family homes situated in the Moorside area of Oldham. Drainage issues were encountered which caused start on site to be delayed with work commencing in April 2023 and sales expected from quarter 3 2024.
- Werneth Road, Woodley, Stockport is an entirely market sale development comprising 7 large four and five bedroom family homes. Construction started March/April 2023, with legal completions anticipated from quarter 3 2024.

Cube also has a strong forward development pipeline of owned sites where construction has not yet started as follows:

- High Lane, Chorlton, Manchester. The site is expected to generate 22 homes for market sale with construction from quarter 3 2024.
- Crown Street, Stone. This scheme, proposed for 9 homes, sits in the heart of Stone town centre. Building is expected to commence in quarter 3 with the first legal completions from quarter 3 2025/26.
- Mossley Hollins, Mossley. Planning has been granted and the site will accommodate 43 homes for market sale, construction from quarter 1 2025/26.
- Shire Hill, Old Glossop. Planning has been granted for 40 homes, 36 of which are for market sale. Construction expected from quarter 3 2024.
- The Rossett, Didsbury. This is a scheme of 8 apartments, adding to Cube’s private rented portfolio. Works are expected to start in July 2024 with tenants expected to move in from September 2025.

There was no gift aid agreed or paid in relation to the 2023/24 financial year. During 2022/23 gift aid was paid of £3.75m (relating to 2022/23 £1.75m and 2021/22 £2m).

CUBE HOMES LIMITED

Year ended 31 March 2024

STRATEGIC REPORT (Continued)

Critical success factors and risks and uncertainties

Cube has 11 critical success factors that are monitored monthly that cover both market sales and market rent activities. The success factors continue to be reviewed to ensure that they inform the board of the most relevant performance information. They include the profit achieved from sales, the number of sales achieved and income generated from market rented properties. Other indicators specifically cover the development activities of Cube.

Cube's Board has identified that the main risk comes from its market sales activity. Cube's management team monitor this risk through regular sales progress reports and updates supplemented with close monitoring of market activity, customer sentiment and the macroeconomic climate. Updates are provided to the Board at each meeting. To further mitigate this risk Cube could choose to delay some construction activity and has access to the loan facility referred to below.

Cube's Board also recognises its ambition in its business plan, presented to and agreed by Board on 13 March 2024, whilst considering the current housing market, volatile current economic conditions and demands on labour and the supply chain, which bring challenges and opportunities. Starts on site have been delayed by planning and operational issues and it is recognised that the operating environment continues to be dynamic and challenging. Sales volumes for the next 12 months are expected to be returning to pre 2023/24 levels. Years 1, 2 and 3 of the business plan see Cube exceeding the targets of £2m surplus per year with the majority of the sites contributing to that turnover already secured or identified.

Cube invests in two joint ventures with Forge New Homes in the Sheffield city region and Hive Homes in Greater Manchester. Both are progressing well with both organisations business plans showing returns that are in line with those agreed at the time of the original investment. Hive Homes also recently won the Housing Digital innovation award for "Most Innovative Partnership".

Cube carries out some of its trading activity within the wider Great Places Housing Group ("Great Places") and reference should therefore be made to the financial statements of Great Places. Cube is able to draw on an internal revolving loan facility of £40 million from Great Places Housing Association to fund its activities.

BY ORDER OF THE BOARD



J. McLean
Secretary
24 July 2024

CUBE HOMES LIMITED

Year ended 31 March 2024

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2024.

Cube's principal activities, business review, key performance indicators, and risks and uncertainties are included in the strategic report on pages 4 and 5

Directors

Details of the directors are set out on page 3.

Employees

Cube has no employees (2023: nil).

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.

The Companies Act 2006 requires the directors to prepare financial statements for each financial year. 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). 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; 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.

CUBE HOMES LIMITED

Year ended 31 March 2024

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

Going concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Assurance is provided by the Company's latest business plan which demonstrates that the company has sufficient funding facilities in place, from the parent group, that will meet committed development and other expenditure and that it is fully able to service its debt facilities.

After a thorough going concern review, taking into account the inherent cash risk in property sales, including forecasts and projections, the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due.

Therefore the Board continues to adopt the going concern basis in the financial statements.

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.

We will be proposing to re-appoint Beever and Struthers as external auditors at the AGM on 26 September 2024.

BY ORDER OF THE BOARD



J. Mclean
Secretary
24 July 2024

CUBE HOMES LIMITED

Year ended 31 March 2024

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

Opinion

We have audited the financial statements of Cube Homes Limited (the 'Company') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 FRS 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 2024 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

In auditing the financial statements, we have concluded that the Board's 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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. 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.

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 course of 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

CUBE HOMES LIMITED

Year ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUBE HOMES LIMITED (Continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 or the directors' 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 Directors' Responsibilities set out on page 6, the Board is 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 Board determines 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 Board is 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 Board either intends to liquidate the Company or to cease operations, or has 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and tax legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

CUBE HOMES LIMITED

Year ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUBE HOMES LIMITED (Continued)

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Ancoats
Manchester
M4 5DL

Date: 8 August 2024

CUBE HOMES LIMITED

Year ended 31 March 2024

STATEMENT OF COMPREHENSIVE INCOME

		2024	2023
	Note	£'000	£'000
Turnover	3	2,693	14,499
Cost of sales		(1,294)	(9,880)
Gross profit		1,399	4,619
Administrative expenses		(1,289)	(938)
Impairment		-	(85)
Operating profit	4	110	3,596
Interest receivable and similar income	5	170	73
Interest payable and similar charges	6	(269)	(384)
Movement in fair value of investment properties	10	545	315
Profit on ordinary activities before taxation		556	3,600
Tax on profit on ordinary activities	7	(134)	(24)
Profit for the year and total comprehensive income		422	3,576

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 15 to 22 form part of these financial statements.

CUBE HOMES LIMITED

As at 31 March 2024

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION

	Note	2024 £'000	2023 £'000
Fixed assets			
Investment property	10	8,510	7,965
Investment in associate	11	4,621	3,321
Total fixed assets		13,131	11,286
Current assets			
Stock and works in progress	12	22,813	15,631
Debtors	13	124	51
Cash at bank and in hand		8	57
		22,945	15,739
Creditors: Amounts falling due within one year	14	(1,430)	(2,756)
Net current assets		21,515	12,983
Total assets less current liabilities		34,646	24,269
Creditors:			
Amounts falling due after more than one year	15	(25,422)	(15,601)
Provisions for liabilities	17	(432)	(298)
		8,792	8,370
Capital and reserves			
Share capital	16	-	-
Revenue reserves		7,004	7,127
Revaluation reserve		1,788	1,243
Shareholder's funds		8,792	8,370

The accompanying notes on pages 15 to 22 form part of these financial statements.

These financial statements were approved by the Board of directors on 24 July 2024 and signed on its behalf by:



E. Mountford

Director

24 July 2024

Company Registration Number 06342867

CUBE HOMES LIMITED

Year ended 31 March 2024

STATEMENT OF CHANGES IN EQUITY**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Revenue reserves	Revaluation reserve	Total equity
	£'000	£'000	£'000	£'000
As at 1 April 2022	-	7,616	928	8,544
Surplus for the year and total comprehensive income	-	3,576	-	3,576
Transfers	-	(315)	315	-
Gift aid payment (see note 9)	-	(3,750)	-	(3,750)
As at 31 March 2023	-	7,127	1,243	8,370
Surplus for the year and total comprehensive income	-	422	-	422
Transfers	-	(545)	545	-
Gift aid payment (see note 9)	-	-	-	-
As at 31 March 2024	-	7,004	1,788	8,792

The accompanying notes on pages 15 to 22 form part of these financial statements.

Transfers relate to fair value movement on investment properties (note 10).

CUBE HOMES LIMITED

Year ended 31 March 2024

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.

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 as at 31 March 2024 and these financial statements may be obtained from their registered office at 2a Derwent Avenue, Manchester, M21 7QP.

Going concern

The Company's latest business plan demonstrates that the company has sufficient funding facilities in place that will meet planned development and other expenditure and that it is fully able to service its debt facilities. After a thorough going concern review considering the impact on all assets, liabilities and commitments, Cube's Board has identified that the main risk comes from its market sales activity which continues to be impacted by the ongoing challenging economic environment and is in line with the wider sector. The stress testing performed includes modelling the impact of potential delays and reduced sales values being achieved. Cube's management team monitor this risk through monthly sales progress reports and updates are also provided to the Board at each board meeting. Cube has access to draw on an internal long-term revolving loan facility of up to £40m from Great Places Housing Association, of which £14.6m remains undrawn as at 31st March 2024.

Based on this position the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

Turnover

Turnover comprises market rental income net of voids receivable in the year on an accruals basis, sales of properties built for market 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 arose within the United Kingdom.

2. Accounting policies (continued)

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.

Capitalisation of interest

Interest related to development works is capitalised until the sooner of practical completion or the stage at which cash flows related to the development become positive.

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.

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 are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Fixed asset investments

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").

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis, are held at cost with consideration given to impairment at each reporting date. Any impairment losses are recognised in profit or loss for the year.

2. Accounting policies (continued)**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 sale 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.
- Determining whether the investment in associates is impaired, by comparing the carrying value of the investments to future anticipated cashflows.
- 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. This is a key source of estimation uncertainty, therefore a sensitivity analysis is provided below:

	Change in assumption	Change in value (£'000)
Investment properties	Increase/decrease of 10%	851

3. Analysis of turnover

Turnover for the year was £2.7m (2023: £14.5m), mainly relating to sales income which totalled £1.5m (2023: 13.5m), and lettings income which totalled £1.2m (2023: £1m).

All income arises within the United Kingdom.

4. Operating profit

The operating profit is arrived at after charging:

	2024 £'000	2023 £'000
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	18	16
-for other services relating to taxation	-	-

The operating profit in 2023 included an impairment of £85k against an investment property "The Curve", none of the investment properties in 2024 have been impaired.

5. Interest receivable and other income

	2024 £'000	2023 £'000
Interest receivable	1	-
Income from current asset investments	169	73
	170	73

CUBE HOMES LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. Interest payable and similar charges**

	2024	2023
	£'000	£'000
Intra group loans	1,106	584
Less: interest payable capitalised on properties under construction	(837)	(200)
	269	384

7. Corporation tax

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

Tax on surplus on ordinary activities

	2024	2023
	£'000	£'000
Current tax charge/(credit) for the year	-	(34)
Current tax adjustment in respect of prior years	-	-
UK corporation tax charge/(credit)for year	-	(34)
<i>Deferred tax</i>		
Origination and reversal of timing differences	139	58
Adjustments in respect of prior periods	(5)	-
Effect of tax rate change on opening balance	-	-
Deferred tax - note 8	134	58
Tax on surplus	134	24
Surplus before tax	556	3,601
Qualifying gift aid payment	-	(3,750)
	556	(149)
Factors affecting tax charge for the period:		
Profit on ordinary activities before tax	556	3,601
Gift aid payment	-	(3,750)
	556	(149)
<i>Tax on profit</i> on ordinary activities at standard CT rate of 25% (2023: 19%)	139	684
Effects of:		
Expenses not deductible for tax purposes	-	16
Income not taxable for tax purposes	(136)	(60)
Chargeable gains/(losses)	136	44
Group relief surrendered/(claimed)	-	(308)
Adjustments to tax charge in respect of previous periods	-	(34)
Adjustments to tax in respect of previous periods – deferred tax	(5)	-
Remeasurement of deferred tax for changes in tax rates	-	15
Gift Aid payments including paid post year end	-	(333)
	134	24

CUBE HOMES LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. This will affect the calculation of future deferred tax charges.

Deferred tax has been calculated on the rate substantively enacted at the reporting date.

8. Deferred taxation

Deferred tax liabilities comprise:

	2024	2023
	£'000	£'000
At 1 April	298	240
Charged to profit or loss	134	58
At 31 March	<u>432</u>	<u>298</u>

	2024	2023
	£'000	£'000
Fixed asset timing differences	79	78
Short term timing differences	2	-
Capital gains/(losses)	356	220
Losses and other deductions	(5)	-
At 31 March	<u>432</u>	<u>298</u>

9. Gift aid

No gift aid payment was paid to Great Places Housing Association (2023: £3,750k) in respect of the year ended 31 March 2024.

10. Investment properties

The investment properties, including those under construction were valued at 31 March 2024 by Aspin and Company Chartered Surveyors on the basis of Market Value, as defined in the Valuation Global Standards of the Royal Institution of Chartered Surveyors ("Red Book Global").

	Investment Properties Total 2024	Investment Properties Total 2023
	£'000	£'000
As at 1 April		
Additions	7,965	7,616
Transfers on completion	-	-
Impairment	-	119
Revaluation	545	315
As at 31 March	<u>8,510</u>	<u>7,965</u>

	2024	2023
	£'000	£'000
Gross cost	6,807	6,688
Additions	-	119
Accumulated depreciation based on historical cost	(287)	(219)
Historical cost net book value	<u>6,520</u>	<u>6,588</u>

CUBE HOMES LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

The impairment charge in 2023 relates to a market rented scheme which experienced delays in planning and construction leading to an increase in cost over the original appraisal value. The scheme has seen an increase in its valuation in 2024.

11. Investment in associates

Cube has entered into two joint arrangements, with the aim of generating returns from building homes for outright sale. The first arrangement is with nine 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. The second arrangement with five other registered providers to create Forge New Homes LLP, operates in the Sheffield City Region and plans to build 300 homes a year. Cube will be investing up to £3m as a mix of debt and equity into each of Hive Homes and Forge New Homes.

Fixed asset investment

	GMJV FundCo LLP	Forge New Homes LLP	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Opening Balance	961	2,360	3,321	2,199
Additions	1,300	-	1,300	1,122
Disposal	-	-	-	-
Closing Balance	2,261	2,360	4,621	3,321

Name of associated undertaking	Registered Address	Proportion of voting rights held
GMJV FundCo LLP	2a Derwent Avenue, Manchester M21 7QP	10%
Forge New Homes LLP	Bull Green House, Bull Green, Halifax, HX1 2EB	20%

12. Stock and work in progress

	2024	2023
	£'000	£'000
Properties for resale - completed	4,040	-
Properties for resale - work in progress	18,773	15,631
	22,813	15,631

13. Debtors

	2024	2023
	£'000	£'000
Due from group undertakings	-	-
Other debtors	124	51
	124	51

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.

CUBE HOMES LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)**14. Creditors: amounts falling due within one year**

	2024	2023
	£'000	£'000
Amounts owed to group undertakings	146	1,811
Trade creditors	179	18
Accruals and deferred income	952	823
Other creditors	153	104
	1,430	2,756

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

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

	2024	2023
	£'000	£'000
Loan due to parent undertaking	25,422	15,601
	25,422	15,601

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

16. Share capital

	2024	2023
	£	£
100 Ordinary shares of £1 each	100	100
	No	No
Allotted, called up and fully paid	100	100

17. Provision for liabilities

	Deferred taxation	Total
	£'000	£'000
As at 1 April 2023	298	298
Charged to profit or loss	134	134
Charged to other comprehensive income	-	-
Utilised in year	-	-
At 31 March 2024	432	432

CUBE HOMES LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Financial commitments

	2024	2023
	£'000	£'000
Capital expenditure commitments were as follows:		
Expenditure contracted but not provided for in the accounts	11,830	1,469
Expenditure authorised by the Board, but not contracted	30,007	34,992
	41,837	36,461
Capital commitments will be funded as follows:		
Existing loan facilities	7,195	17,327
Market sales	34,462	19,134
Existing reserves / cash	-	-
	41,837	36,461

19. Employees

The Company has no employees (2023: none). The directors received remuneration for their services to the company from Great Places Housing Association, the parent company of Cube, of £22k (2023: £23k).

20. 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.

21. Ultimate controlling party

The ultimate controlling party of the Company is Great Places Housing Group Limited, which is an entity registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing and Regeneration Act 2008.

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

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