

Cubus Lux plc
Annual Report and Accounts

Cubus Lux plc
21 March 2005

CUBUS LUX PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2004

The following information has been extracted from the Report and Accounts of Cubus Lux plc for the year ended 31 December 2004 which will be posted to shareholders shortly.

CHAIRMAN'S STATEMENT

I am pleased to submit results for the year ended 31 December 2004 and my first report as temporary Chairman, of the company. I assumed this position early in 2005 as Mr. David Gray tendered his resignation for personal reasons.

Operations

2004 has been an important year for the company. We completed our equity financing and achieved our AIM listing during the year and we opened our second casino at the Belvedere Hotel in Medulin. We are now well positioned as the leading casino operator in the Istria Peninsula.

The Istria region is highly seasonal and the summer months from June to September show solid activity. We are working to build our off-season business by bringing in gaming enthusiasts and semi-professional players (junkets) into our casinos. We still have a lot of work to do to develop a marketing infrastructure which will deliver a steady stream of customers and we failed to achieve this in time to impact our 2004 results. We are now focussing on developing marketing arrangements with Italian, Russian and Israeli junket operators to bring players into our casinos. We hope to begin to see the impact of this by mid-2005.

Financial

For the year ending 31 December 2004, the company is reporting revenues of £484,000 and net loss of £453,000. Our results are below expectations, due to an increase in our administrative expenses as a result of operating a public company, which was not matched by an increase in revenues due to the late opening of the Medulin casino and to a below budget junket business. We have implemented corrective action and we expect an improvement in results in 2005.

Personnel

We are pleased to announce the appointment of Mr Brendan Gardner, who has assumed responsibility for operations, initially in a consulting capacity to Cubus Lux d.o.o.. Mr. Gardner has twenty years experience in the casino industry and will be responsible for casino operations and for our marketing activities.

Our plans for 2005

Our priorities for 2005 are to intensify our marketing to build our revenue base and try to develop less seasonality in our business and we are looking at a further possible expansion. We have been approached by several hotel operators who have invited us to open casinos on their sites. We are evaluating these opportunities and we hope to be able to announce soon the opening of a new well-sited casino in Croatia during 2005.

We will seek to effect fund raising in 2005 to strengthen our working capital and to finance our next site opening. We will be looking to strengthen our board in 2005 with the appointment of a new Chairman with relevant gaming industry experience.

I would like to thank all our staff for their hard work during this transition year from a private to a public company.

If you have any questions please feel free to contact me.

HAGGAI RAVID

Interim Chairman

Non Executive Director

17 March 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £'000	2003 £'000
TURNOVER	1,2	484	528
Cost of sales		(58)	(64)
GROSS PROFIT		426	464
Administrative expenses		(886)	(729)
OPERATING LOSS	3	(460)	(265)
Interest payable and similar charges	6	(7)	-
Interest receivable and other income	7	14	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(453)	(265)
Tax on loss on ordinary activities	8	-	-
RETAINED LOSS		(453)	(265)
LOSS PER SHARE Basic and diluted	20	(2.41p)	(1.66p)

All activities arose from continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2004 £'000	2003 £'000
Loss for the financial year	(453)	(265)
Exchange rate movements	(8)	-
Total recognised losses relating to the year	(461)	(265)

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2004

	Notes	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	10	594	226
CURRENT ASSETS			
Stock	12	6	3
Debtors	13	54	3
Cash at bank	14	385	88
		445	94

CREDITORS: amounts falling			
due within one year	15	(361)	(635)
		-----	-----
NET CURRENT ASSETS/(LIABILITIES)		84	(541)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		678	(315)
CREDITORS: amounts falling			
due in more than one year	16	(140)	-
		-----	-----
		538	(315)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	19	223	161
Share premium account	20	1,101	159
Merger reserve	20	347	37
Profit and loss account	20	(1,133)	(672)
		-----	-----
EQUITY SHAREHOLDERS' FUNDS		538	(315)
		=====	=====

These financial statements were approved by the Board of Directors on 17 March 2005

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£'000	£'000
Operating loss	(460)	(265)
Loss on disposal of fixed assets	21	-
Depreciation	61	48
(Increase)/decrease in debtors	(51)	32
Increase in stock	(3)	(3)
Increase in creditors	92	158
	-----	-----
CASH OUTFLOW FROM OPERATING ACTIVITIES	(340)	(30)
Return on investment and servicing of finance		
Interest payable	(7)	-
Interest receivable	14	
Capital expenditure and financial investment		
Purchase of fixed assets	(426)	(43)
	-----	-----
CASH OUTFLOW BEFORE FINANCING	(759)	(73)
FINANCING		
Issue of shares in Cubus Lux Plc (net of issue costs)	1,004	-
New loans undertaken	60	124
	-----	-----
INCREASE IN CASH IN THE YEAR	305	51
	=====	=====

RECONCILIATION OF NET CASH FLOW TO NET FUNDS/(DEBT)

2004	2003
£'000	£'000

Increase in cash in the period	305	51
Exchange differences	(8)	-
Cash inflow from movement in debt	(60)	(124)
New finance leases undertaken in year	(24)	-
Loans converted to shares in Cubus Lux d.o.o.	310	-
	-----	-----
Movement in net funds/(debt) in the period	523	(73)
Net debt at beginning of period	(291)	(218)
	-----	-----
Net funds/(debt) at end of period	232	(291)
	=====	=====

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2004	Cash flows	Other movements	Exchange differences	At 31 December 2004
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	88	305	-	(8)	385
	-----	-----	-----	-----	-----
Debt due in less than one year	88	305	-	(8)	385
Finance leases	-	-	(5)	-	(5)
Loans	(379)	(60)	431	-	(8)
	-----	-----	-----	-----	-----
	(291)	245	426	(8)	372
Debt due in more than one year	-	-	(19)	-	(19)
Finance leases	-	-	(121)	-	(121)
Loans	-	-	-	-	-
	-----	-----	-----	-----	-----
	(291)	245	286	(8)	232
	=====	=====	=====	=====	=====

RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£'000	£'000
Loss for the year	(453)	(265)
	-----	-----
	(453)	(265)
Exchange rate differences	(8)	-
New shares issued in Cubus Lux Plc (net of issue costs)	1,004	-
New shares issued in Cubus Lux d.o.o. (net of issue costs)	310	-
	-----	-----
Net movement in shareholders' funds/ (deficit)	853	(265)
Opening shareholders' deficit	(315)	(50)
	-----	-----
Closing shareholders' funds/(deficit)	538	(315)
	=====	=====

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The financial information is prepared on the historical cost basis in accordance with the applicable accounting standards.

It comprises the consolidated financial information of Cubus Lux Plc and its subsidiary.

.....

(b) Basis of Consolidation

On 20 May 2004, the company purchased 100% of the issued share capital of Cubus Lux d.o.o., a company registered in the Commercial Court in Rijeka, Croatia, by way of a share for share exchange. Under Financial Reporting Standard 6, merger accounting has been adopted as the basis of consolidation.

(c) Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset by equal monthly instalments over its expected useful life as follows:-

Motor Vehicles	25% per annum
Office furniture, computers and casino equipment	10-25% per annum

(d) Stocks

Stocks are valued at the lower of cost and net realisable value.

(e) Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. The results and balance sheets of overseas operations are translated at the rate of exchange rating at the balance sheet date. The rate of exchange used at 31 December 2004 was 10.839 HRK to £1 (2003: 10.454 HRK to £1).

(f) Turnover

Turnover represents the invoiced amount of goods sold and services provided in the year, net of value added tax.

2. BUSINESS SEGMENT ANALYSIS

The turnover, loss on ordinary activities before taxation and net assets/(liabilities) of the Group in the Republic of Croatia, are attributable to one activity, that of the operation of casinos.

3. OPERATING LOSS

Operating loss is stated after charging:-

	2004	2003
	£'000	£'000
Depreciation of fixed assets		
- owned by the group	61	48
Auditors remuneration	14	4
Operating lease rentals	30	25
Loss on disposal of fixed assets	21	-
	=====	=====

4. STAFF COSTS

The staff costs for the year ending 31 December 2004, totalled £194,927 (2003: £195,212).

There were no pension expenses for the company for the year ending 31 December 2004. (2003: £nil).

The average number of persons (including directors) employed by the Group during the year was 31 (2003: 21).

5. DIRECTORS' REMUNERATION

	2004	2003
	£'000	£'000
Directors' emoluments	53	-
	=====	=====

6. INTEREST PAYABLE

Other interest payable	7	-
	=====	=====

7. INTEREST RECEIVABLE

Bank interest receivable	14	-
	=====	=====

8. TAXATION

(a) Analysis of charge in the year

Corporation tax	-	-
	=====	=====

(b) Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax. The differences are explained below:

Loss on ordinary activities before taxation	(453)	(265)
	=====	=====
Multiplied by the standard rate of corporation tax of 30%	(136)	(80)
Effects of:		
Disallowable expenditure	28	24
Losses carried forward	108	56
	-----	-----
Current year tax charge	-	-
	=====	=====

(c) Factors affecting future tax charges

The directors believe that the future tax charges will be reduced by the use of tax losses carried forward in Croatia.

9. LOSS FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the period includes a loss after taxation of £333,000 which is dealt with in the financial statements of the company.

10. TANGIBLE FIXED ASSETS

GROUP	Other tangible		Total £'000
	Leasehold Premises £'000	fixed assets £'000	
Cost or valuation			
At 1 January 2004	2	324	326
Additions	43	407	450
Disposals	-	(25)	(25)
	-----	-----	-----
At 31 December 2004	45	706	751
	-----	-----	-----
Depreciation			
At 1 January 2004	-	100	100
Charge for the year	3	58	61
Eliminated on disposal	-	(4)	(4)
	-----	-----	-----
At 31 December 2004	3	154	157
	-----	-----	-----
Net Book Value			
At 31 December 2004	42	552	594
	=====	=====	=====
At 31 December 2003	2	224	226
	=====	=====	=====

At 31 December 2004, included within other fixed assets are assets held under finance leases with a net book value of £23,539 (2003: £nil). No depreciation (2003: £nil) has been charged on this asset in the year as it was leased from 30 December 2004.

11. INVESTMENTS

Company	2004 £'000
Shares	319 =====

At 31 December 2004, the company held the following investment:

Name of undertaking	Country of registration	Proportion held by parent company	Nature of business
Cubus Lux d.o.o.	Croatia	100%	Operation of casinos

On 20 May 2004, the company purchased the entire issued share capital of Cubus Lux d.o.o, a company registered in the Commercial Court in Rijeka, Croatia with company number 3883817 and registration number 080298857 by way of a share for share exchange resulting in 15,950,001 ordinary shares of 1p each being issued in consideration.

11. INVESTMENTS (continued)

The split of the profit and loss account is as follows:

	Cubus Lux d.o.o Pre merger	Cubus Lux d.o.o Post merger	Cubus Lux Plc Post merger	Total
Turnover	146	338	-	484
Cost of sales	(19)	(39)	-	(58)

Gross Profit	127	299	-	426
Administrative expenses	(191)	(361)	(334)	(886)
Net interest receivable	-	6	1	7
Retained loss	(64)	(56)	(333)	(453)
	=====	=====	=====	=====

Cubus Lux Plc was dormant until the merger.

At the date of the merger, the net liabilities of Cubus Lux d.o.o were £57,909 and the fair value of the consideration was £319,000.

12. STOCK

Group		2004	2003
		£'000	£'000
Goods held for resale		6	3
		=====	=====

13. DEBTORS

	Group	Company	Group
	2004	2004	2003
	£'000	£'000	£'000
Amounts owed by group undertakings	-	740	-
Other debtors	25	-	-
Prepayments and accrued income	29	3	3
	-----	-----	-----
	54	743	3
	=====	=====	=====

14. CASH AT BANK AND IN HAND

Included within the cash at bank and in hand at 31 December 2004, is HRK 1,200,000 (2003: £87,812) which is held by the Croatian Ministry of Finance as a bond to cover any large casinos wins. Cubus Lux d.o.o. is required to keep this bond in place in order to maintain its gaming licence.

Cubus Lux d.o.o. is also required by law to maintain cash on site of €50,000 and HRK 150,000 at each casino.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group
	2004	2004	2003
	£'000	£'000	£'000
Loans	8	-	379
Trade creditors	189	-	65
Other taxes and social security	77	-	186
Amounts held under finance lease	5	-	-
Accruals and deferred income	82	76	5
	-----	-----	-----
	361	76	635
	=====	=====	=====

16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

Loans	121	-	-
Amounts held under finance lease	19	-	-
	-----	-----	-----
	140	-	-
	=====	=====	=====

The loan due in more than one year is due to Moshe Har Adir, an executive director of the company and is repayable on or before 16 December 2007 and is interest free.

17. BORROWINGS

Group		2004	2003
		£'000	£'000
Amounts due in less than one year		8	379
Amounts due within two to five years		121	-
		-----	-----
		129	379
		=====	=====

18. FINANCE LEASES

Group			
Payable within one year		5	-
Payable in one to five years		19	-
		-----	-----
		24	-
		=====	=====

19. CALLED UP SHARE CAPITAL

Authorised:

The authorised share capital consists of 30,000,000 ordinary shares of 1p each and 2,000,000 deferred ordinary shares of 0.1p each.

Allotted, called up and fully paid:		
22,102,001 ordinary shares of £0.01 each	221	159
1,555,554 deferred ordinary shares of £0.001 each	2	2
	-----	-----
	223	161
	=====	=====

On incorporation, the company issued 2 subscriber shares of £1.00 each. Subsequently, these were converted into 200 shares of £0.01 each.

On 20 May 2004, the company purchased the entire issued share capital of Cubus Lux d.o.o. by way of a share for share exchange resulting in 15,949,801 ordinary shares of £0.01 each being issued in consideration.

On 5 June 2004, 1,555,554 deferred ordinary shares were issued and paid at par value of £0.001 each.

On 11 August 2004, 6,152,000 ordinary shares were issued and paid at £0.225 each.

The company has issued a three year option over 210,000 £0.01 ordinary shares exercisable at par value to Eli Abramovich, a non-executive director of the company, vesting at a rate of 70,000 on 7 June 2005, 7 June 2006 and 7 June 2007 based on continuing service with the company.

20. SHARE PREMIUM AND RESERVES	Share premium £'000	Merger reserve £'000	Profit and loss account £'000
Group			
At 1 January 2004	159	37	(672)
Issue of shares in subsidiary in period	-	310	-
Issue of shares via public offer (net of costs)	942	-	-
Exchange rate differences	-	-	(8)
Retained loss for the period	-	-	(453)
	-----	-----	-----
At 31 December 2004	1,101	347	(1,133)
	=====	=====	=====
Company		Share premium £'000	Profit and loss account £'000
Issue of shares (net of costs)		1,101	-
Retained loss for the period		-	(333)
		-----	-----
At 31 December 2004		1,101	(333)
		=====	=====

21. LOSS PER SHARE

The loss per share of 2.41p (2003: 1.42p) has been calculated on the weighted average number of shares in issue during the year namely 18,772,476 (2003: 15,949,801) and losses of £453,452 (2003: £265,234).

FRS 14 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss making company with outstanding share options, net loss per share would only be increased by the exercise of out-of-the-money options. Since it is inappropriate to assume that option holders would act irrationally, no adjustment is made to diluted EPS for out-of-the-money share options.

22. OPERATING LEASE COMMITMENTS

At 31 December 2004, the company had annual commitments under non-cancellable operating leases expiring as follows:-

Group	2004		2003	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Between two and five years	-	15	-	-
	=====	=====	=====	=====

This information is provided by RNS
The company news service from the London Stock Exchange

Financial Services Compensation Scheme Annual Report and Accounts 2018/19. Presented to the House of Commons pursuant to Section 7 of the Government Resources and Accounts Act 2000 Ordered by the House of Commons to be printed on 27 June 2019. HC 2123. part i of ii. An accompanying Financial Services Compensation Scheme Annual Report and Class Statements (part ii) was also presented to the House of Commons on 27 June 2019. 3. FSCS Annual Report and Accounts 2018/19. ! Â© Crown copyright 2019 This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise A full yearly archive of reports and presentations including trading updates, annual reports conference calls and webcasts.Â A full yearly archive of our financial results and Annual Reports and Accounts. 2020. Pearson nine month trading update. View announcement. Pearson nine month trading update conference call. Replay. Half year results announcement. Here you can view or download our full Annual Report and Accounts, or its separate sections â€ the Strategic Report, Corporate Governance Report, Financial Statements and Additional Information. Download the Annual Report and Accounts. Strategic Report. The Strategic Report includes an overview of our strategy and business model, the principal risks we face and information about our performance. In addition to the financial review included within this section, we provide additional analysis and commentary â€ including the performance of our operating segments â€ within the unaudited commentary se Foreign and Commonwealth Office Annual Report and Accounts 2018 to 2019. Annual report and accounts 2018 to 2019. Published 11 July 2019 Last updated 28 August 2019 â€ see all updates. From: Foreign & Commonwealth Office. Documents. FCO annual report and accounts 2018 to 2019 (web accessible). Ref: ISBN 978-1-5286-1343-9, HC 2393 2019-20 PDF, 6.11MB, 168 pages. Order a copy.Â It provides detailed information on our performance, and the resource accounts provide accounting and expenditure information for the financial year 2018 to 2019. Published 11 July 2019 Last updated 28 August 2019 + show all updates. 28 August 2019. Updated annual report with correction slip added. 11 July 2019. First published. Annual Report and Accounts 2019/20. Summary for the year ended 31 March 2020. Download the full report.Â They will now have to consider and report on environmental, social and governance issues and oversee the value for money of investment pathways solutions for pension drawdown. Retail banking and payments. This is central to the lives of virtually every consumer, business and organisation in the UK.