

**Grove Investments UK Limited**

**Directors' report and financial statements**

Registered number 05120722

31 December 2014

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## Company information

<b>Directors</b>	Mark Hazlewood Pete Calveley Ian Portal
<b>Secretary</b>	Ian Portal
<b>Auditor</b>	KPMG LLP 100 Temple Street Bristol BS1 6AG
<b>Bankers</b>	The Royal Bank of Scotland plc London Corporate Services 2 ½ Devonshire Square London EC2M 4XJ
<b>Solicitors</b>	Nabarro LLP 125 London Wall London EC2Y 5AL
<b>Registered office</b>	Suite 304 Third Floor, Design Centre East Chelsea Harbour London SW10 0XF
<b>Registered number</b>	05120722

## Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2014.

### Principal activity

The principal activity of the Company was that of an investment company. In the preceding year the Company disposed of its investment and has been non-trading in the current year. There are no immediate intentions for the Company to recommence trading.

### Business review

In the preceding year the Company owned 23.63% of Cygnet 2008 Limited. The investment was disposed of on 29 November 2013, through gifting the investment in its entirety to employees of Cygnet 2008 Limited. In the current year the Company received £2,703,000 as part of the sale agreement due to Cygnet 2008 Limited being sold on to external shareholders within 5 years of the gift of the investment. The Company is part of the Grove Limited group ("Group").

### Dividends

No dividends were paid during the year (2013: £nil).

### Directors

The directors who held office during the year were as follows (the directors holding office at the point of signing are shown on page 1):

Ian Portal

David Duncan (*resigned 22 October 2014*)

Pete Calveley (*appointed 23 October 2014*)

Mark Hazlewood (*appointed 23 October 2014*)

### Political contributions

The company made no political contributions during the year (2013: £nil).

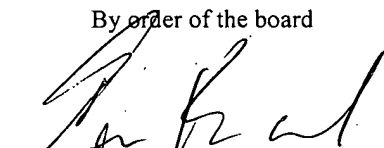
### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Ian Portal**  
Secretary

Suite 304  
Third Floor, Design Centre East  
Chelsea Harbour  
London  
SW10 0XF  
25 June 2015

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

## **Independent auditor's report to the members of Grove Investments UK Limited**

We have audited the financial statements of Grove Investments UK Limited for the year ended 31 December 2014 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board'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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

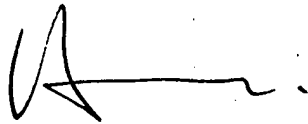
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Grove Investments UK Limited** *(continued)*

### **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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Nicholas Hall (Senior Statutory Auditor)**  
For and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
100 Temple Street  
Bristol  
BS1 6AG

29 June 2015

**Profit and Loss Account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Administrative expenses		-	(98)
Interest payable and similar charges	4	-	(1,278)
Amounts written off investments		-	(15,756)
<b>Operating loss</b>		-	(17,132)
Contingent consideration received	6	2,703	-
<b>Profit/ (loss) on ordinary activities before taxation</b>	2	2,703	(17,132)
Tax on ordinary activities	5	-	-
<b>Profit/ (loss) for the financial year</b>		2,703	(17,132)

There were no acquisitions or discontinued activities in either period.

There is no difference between the results as stated above and the results on a historical cost basis.

There were no recognised gains and losses in either the current or preceding financial period other than those shown above.

**Reconciliation of movements in equity shareholder's funds**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Profit/ (loss) for the financial year</b>		2,703	(17,132)
Issue of new shares		-	22,176
Opening shareholder's funds/(deficit)		638	(4,406)
<b>Closing shareholder's funds</b>		3,341	638



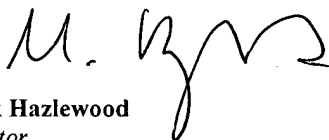
**Balance Sheet**  
 at 31 December 2014

	Note	2014 £000	2013 £000
<b>Current assets</b>			
Debtors	7	3,612	870
Cash		-	-
		<u>3,612</u>	<u>870</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(271)</u>	<u>(232)</u>
<b>Net current assets</b>		<u>3,341</u>	<u>638</u>
<b>Net assets</b>		<u>3,341</u>	<u>638</u>
<b>Capital and reserves</b>			
Called up share capital	9	22,177	22,177
Share Premium	10	2,060	2,060
Profit and loss account	10	(20,896)	(23,599)
<b>Shareholder's funds</b>		<u>3,341</u>	<u>638</u>

The notes from pages 8 to 11 form a part of the financial statements.

These financial statements were approved by the board of directors on  
 were signed on its behalf by:

25 June 2015 and

  
 Mark Hazlewood  
 Director

Company registered number: 05120722

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of FRS 1 '*cash flow statements*' (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Grove Limited and its cash flows are included within the consolidated cash flow statement of that company.

As the Company is a wholly owned subsidiary of Grove Limited the Company has taken advantage of the exemption contained in FRS 8 '*related party disclosure*' and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Grove Limited, within which the Company is included, can be obtained from address in note 11.

#### *Going concern*

The company has net assets together with the long-term support from Group and as a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing these annual financial statements.

Group companies have confirmed that any amounts due to group undertakings will not be demanded within the next year.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 '*Deferred tax*'.

#### *Investments*

Investments in associates are stated at cost less any provision for impairment.

## Notes (continued)

### 2 Auditor's remuneration

The remuneration of the auditor in the current year was borne by another Group Company. The estimate of this for the current year is £4,000 (2013: £4,000)

### 3 Directors

The Company had no employees other than directors (2013: nil). The directors received remuneration for services to Grove Limited of which Grove Investments UK Limited is a subsidiary undertaking, however, the proportion attributable to their services to Grove Investments UK Limited is not separately identifiable.

### 4 Interest payable and similar charges

	2014 £000	2013 £000
On bank loans and overdrafts	-	1,278

### 5 Taxation

#### Analysis of charge in year

	2014 £000	2013 £000
<i>UK Corporation tax</i>		
Current tax on income for the year.	-	-

#### Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2013: higher than) the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below.

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	2,703	(17,132)
Current tax at 21.49% (2013: 23.25%)	581	(3,983)
<i>Factors effecting charge for the year:</i>		
Group relief not paid for	2	351
Investment impairment	-	3,663
Transfer pricing	(2)	(31)
Profit on investment disposal	(581)	-
Total current tax (see above)	-	-

Reductions in the UK corporation tax rate from 23% to 21% were effective from 1 April 2014. The further reduction to 20% will be effective from 1 April 2015 and will reduce the company's future tax liabilities accordingly.

The company has no provided or unprovided deferred taxation.

## Notes (continued)

### 6 Contingent consideration received

In the preceding year the company held 23.63% of the ordinary share capital of Cygnet 2008 Limited. This was disposed of on 29 November 2013, through gifting the investment in its entirety to employees of the company.

As part of the agreement for the gifting of the investment, contingent income could be received if the shares held in Cygnet 2008 Limited were subsequently sold onto a third party within 5 years after the date of the agreement. The Company was due 50% of the aggregate sale proceeds in excess of £1. During the year this event occurred and therefore the Company received £2,703,000.

### 7 Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	2,791	49
Group relief recoverable	821	821
	<u>3,612</u>	<u>870</u>

Amounts due from group undertakings stated above are legally due on demand and are thus recoverable within one year. It is not expected that a demand for these amounts will be made within next year.

### 8 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	271	232

The amounts due to group undertakings are legally due on demand and are thus due within one year, although it is not expected that a demand for these amounts will be made within the next year.

### 9 Called up share capital

	2014 £000	2013 £000
<i>Allotted, issued and fully paid</i>		
22,177,370 Ordinary shares of £1 each (2013: 22,177,370 ordinary shares)	22,177	22,177

### 10 Reserves

	Share Premium £000	Profit and loss account £000	Total £000
At the beginning of the year	2,060	(23,599)	(21,539)
Profit for the year	-	2,703	2,703
	<u>2,060</u>	<u>(20,896)</u>	<u>(18,836)</u>

**Notes** *(continued)*

**11 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The Company's immediate and ultimate parent undertaking is Grove Limited, a company incorporated and registered in Jersey.

The smallest and largest group in which the results of the Company are consolidated is that headed by Grove Limited. The consolidated accounts of Grove Limited are available to the public and may be obtained from [www.jerseyfsc.org](http://www.jerseyfsc.org).