

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 March 2015
for
DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED**

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DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

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for the Year Ended 31 March 2015

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DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Company Information
for the Year Ended 31 March 2015

DIRECTORS:

L R Litwinowicz
T Middleton
J D Grove

SECRETARY:

T Middleton

REGISTERED OFFICE:

5 The Courtyard
Timothy's Bridge Road
Stratford-upon-Avon
Warwickshire
CV37 9NP

REGISTERED NUMBER:

02566311

AUDITORS:

Haslehursts Limited
Statutory Auditor
88 Hill Village Road
Sutton Coldfield
West Midlands
B75 5BE

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Report of the Directors
for the Year Ended 31 March 2015

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

CHANGE OF NAME

The company passed a special resolution on 3 March 2015 changing its name from Grove Industries Limited to DLGN Limited.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

L R Litwinowicz
T Middleton
J D Grove

Other changes in directors holding office are as follows:

S L Grove , E G Carter and Lord DM Jones ceased to be directors after 31 March 2015 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haslehursts Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Report of the Directors
for the Year Ended 31 March 2015

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

ON BEHALF OF THE BOARD:



L R Litwinowicz - Director

11 December 2015

Report of the Independent Auditors to the Members of DLGN Limited

We have audited the financial statements of DLGN Limited for the year ended 31 March 2015 on pages six to fourteen. 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 a Report of the Auditors 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 set out on page two, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its loss 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 matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
DLGN Limited**

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Thomas William Haslehurst (Senior Statutory Auditor)
for and on behalf of Haslehursts Limited
Statutory Auditor
88 Hill Village Road
Sutton Coldfield
West Midlands
B75 5BE

11 December 2015

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Profit and Loss Account
for the Year Ended 31 March 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------|-------------|
| TURNOVER | | - | - |
| Administrative expenses | | (59,808) | (69,517) |
| OPERATING LOSS | 2 | (59,808) | (69,517) |
| Profit on disposal of fixed assets | | 225,563 | 231,356 |
| Provision for bad debts | | (6,190,644) | - |
| | | (6,024,889) | 161,839 |
| Income from participating interests | | 13,540 | 24,282 |
| Income from fixed asset investments | | 10,484 | 17,473 |
| Interest receivable and similar income | 3 | 70,100 | 241,486 |
| | | (5,930,765) | 445,080 |
| Amounts written off investments | 4 | 90,000 | (2,842,127) |
| | | (5,840,765) | (2,397,047) |
| Interest payable and similar charges | | (58) | (9) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (5,840,823) | (2,397,056) |
| Tax on loss on ordinary activities | 5 | 158,612 | (158,612) |
| LOSS FOR THE FINANCIAL YEAR | | (5,682,211) | (2,555,668) |

The notes form part of these financial statements

DLGN LIMITED (REGISTERED NUMBER: 02566311)
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Balance Sheet
31 March 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | - | - |
| Investments | 7 | 22,222 | 14,062,022 |
| | | <u>22,222</u> | <u>14,062,022</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 4,934,431 | 8,111,430 |
| Cash at bank | | - | 1,347,609 |
| | | <u>4,934,431</u> | <u>9,459,039</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | - | (489,520) |
| NET CURRENT ASSETS | | <u>4,934,431</u> | <u>8,969,519</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 4,956,653 | 23,031,541 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 10 | - | (11,121,264) |
| PROVISIONS FOR LIABILITIES | 11 | - | (302,593) |
| NET ASSETS | | <u>4,956,653</u> | <u>11,607,684</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 84,254 | 88,335 |
| Revaluation reserve | 13 | - | 7,242,475 |
| Capital redemption reserve | 13 | 249,080 | 244,999 |
| Profit and loss account | 13 | 4,623,319 | 4,031,875 |
| SHAREHOLDERS' FUNDS | | <u>4,956,653</u> | <u>11,607,684</u> |

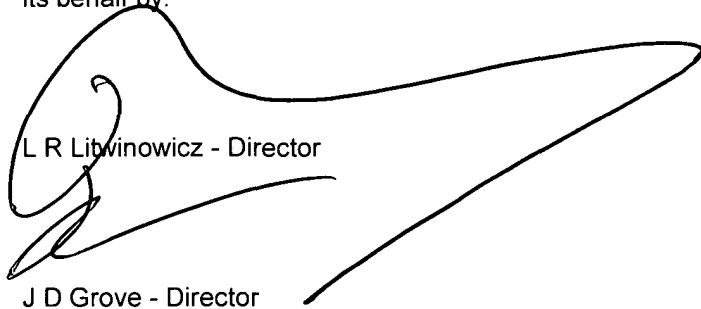
The notes form part of these financial statements

DLGN LIMITED (REGISTERED NUMBER: 02566311)
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Balance Sheet - continued
31 March 2015

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 11 December 2015 and were signed on its behalf by:



L R Litwinowicz - Director

J D Grove - Director

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements
for the Year Ended 31 March 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Preparation of consolidated financial statements

The financial statements contain information about DLGN Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment, or at valuation. Investments held as current assets are stated at the lower of cost and net realisable value.

The company's investment in subsidiaries is stated at the value of the underlying net assets.

2. OPERATING LOSS

The operating loss is stated after charging:

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Auditors remuneration | 11,390 | 12,250 |
| Directors' remuneration and other benefits etc | - | - |

3. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Bank interest received | 6,384 | 7,016 |
| Other interest | 63,716 | 234,470 |
| | 70,100 | 241,486 |

4. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2015 £ | 2014 £ |
|---------------------------------|-----------|-----------|
| Amounts written off investments | (90,000) | 2,621,359 |
| Provision for bad debts | - | 220,768 |
| | (90,000) | 2,842,127 |

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

5. **TAXATION**

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

| | 2015 £ | 2014 £ |
|------------------------------------|------------------|----------------|
| Current tax: | | |
| UK corporation tax | - | 158,612 |
| Prior year adjustment | (158,612) | - |
| | <u>(158,612)</u> | <u>-</u> |
| Tax on loss on ordinary activities | <u>(158,612)</u> | <u>158,612</u> |

6. **TANGIBLE FIXED ASSETS**

| | Plant and machinery etc £ |
|------------------------|------------------------------------|
| COST | |
| At 1 April 2014 | 4,500 |
| Disposals | (4,500) |
| | <u>-</u> |
| At 31 March 2015 | <u>-</u> |
| DEPRECIATION | |
| At 1 April 2014 | 4,500 |
| Eliminated on disposal | (4,500) |
| | <u>-</u> |
| At 31 March 2015 | <u>-</u> |
| NET BOOK VALUE | |
| At 31 March 2015 | <u>-</u> |

7. **FIXED ASSET INVESTMENTS**

| | 2015 £ | 2014 £ |
|------------------------------|---------------|-------------------|
| Shares in group undertakings | - | 11,377,364 |
| Loans to group undertakings | - | 280,000 |
| Other investments not loans | 22,222 | 2,404,658 |
| | <u>22,222</u> | <u>14,062,022</u> |

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

7. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

| | Shares in group undertakings £ | Unlisted investments £ | Totals £ |
|------------------------|---|------------------------------|--|
| COST | | | |
| At 1 April 2014 | 11,377,364 | 5,141,023 | 16,518,387 |
| Additions | 60 | - | 60 |
| Disposals | (11,377,424) | (5,118,801) | (16,496,225) |
| At 31 March 2015 | - | 22,222 | 22,222 |
| PROVISIONS | | | |
| At 1 April 2014 | - | 2,736,365 | 2,736,365 |
| Eliminated on disposal | - | (2,736,365) | (2,736,365) |
| At 31 March 2015 | - | - | - |
| NET BOOK VALUE | | | |
| At 31 March 2015 | - | 22,222 | 22,222 |
| At 31 March 2014 | 11,377,364 | 2,404,658 | 13,782,022 |
| | | | Loans to group undertakings £ |
| At 1 April 2014 | | | 280,000 |
| Repayment in year | | | (280,000) |
| At 31 March 2015 | | | - |

The directors' valuation of unlisted investments at the end of the year is £22,222 (2014: £2,404,658).

During the year, £11,121,264 in respect of the company's investment in Anglo Engineering Services Limited, a subsidiary undertaking, was written down to £nil. A loan of £11,111,264 from Anglo Engineering Services was also written off during the year. The net impact on the profit and loss account as a result of these transactions was a charge of £10,000 which is included in "Amounts written off investments".

The total amount of investments stated according to the historic cost convention was £22,222 (2014: £6,806,784).

8. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------------|------------------|------------------|
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 4,934,431 | 202,112 |
| Other debtors | - | 1,718,674 |
| | <u>4,934,431</u> | <u>1,920,786</u> |

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

8. DEBTORS - continued

| | 2015 £ | 2014 £ |
|---|-------------------|-------------------|
| Amounts falling due after more than one year: | | |
| Other debtors | - | 6,190,644 |
| | <u> </u> | <u> </u> |
| Aggregate amounts | 4,934,431 | 8,111,430 |
| | <u> </u> | <u> </u> |

During the year, a non-interest bearing loan of £6,190,878 to Grove Industries Limited, the parent company, was waived.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------|-------------------|-------------------|
| Taxation and social security | - | 158,612 |
| Other creditors | - | 330,908 |
| | <u> </u> | <u> </u> |
| | - | 489,520 |
| | <u> </u> | <u> </u> |

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | - | 11,121,264 |
| | <u> </u> | <u> </u> |

11. PROVISIONS FOR LIABILITIES

| | 2015 £ | 2014 £ |
|------------------|-------------------|-------------------|
| Other provisions | - | 302,593 |
| | <u> </u> | <u> </u> |

12. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 2015 | 2014 |
|----------------------------------|--------------|----------------|-------------------|-------------------|
| Number: | Class: | Nominal value: | £ | £ |
| 80,173 | Ordinary | £1 | 84,254 | 84,254 |
| NIL | "P" Ordinary | £1 | - | 4,081 |
| | | | <u> </u> | <u> </u> |
| | | | 84,254 | 88,335 |
| | | | <u> </u> | <u> </u> |

On 23rd December 2014 the company purchased 4,081 of its "P" shares for a consideration of £964,000. These shares were duly cancelled.

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

13. RESERVES

| | Profit and loss account £ | Revaluation reserve £ | Capital redemption reserve £ | Totals £ |
|------------------------------|------------------------------------|-----------------------------|---------------------------------------|------------------|
| At 1 April 2014 | 4,031,875 | 7,242,475 | 244,999 | 11,519,349 |
| Deficit for the year | (5,682,211) | | | (5,682,211) |
| Purchase of own shares | (968,820) | - | 4,081 | (964,739) |
| Movmt of revaluation reserve | 7,242,475 | (7,242,475) | - | - |
| At 31 March 2015 | <u>4,623,319</u> | <u>-</u> | <u>249,080</u> | <u>4,872,399</u> |

14. ULTIMATE PARENT COMPANY

Grove Industries Limited is regarded by the directors as being the company's ultimate parent company.

15. RELATED PARTY DISCLOSURES

During the year, the company charged interest totalling £13,540 (2014: £24,031) to GI Solutions Holdings Limited, a subsidiary undertaking.

During the year, the company was advanced £10,000 by Anglo Engineering Services Limited, a subsidiary undertaking, and was charged £2,500 arrangement fees and £58 interest in respect of this loan. Total amounts owing to Anglo Engineering Services Limited of £11,111,264 were waived during the year. In addition, the company has written down the carrying value of its investment in Anglo Engineering Services Limited from £11,121,264 to £nil. The net effect of these transactions on the profit and loss account is a charge of £10,000 which is included in "Amounts written off investments".

During the year, the company wrote off loans to Grove Industries Limited (formerly DLGN Limited), the parent company, totalling £6,190,644. This has been shown as an exceptional item in the profit and loss account.

By way of a hive up agreement dated 31 March 2015, all assets and liabilities of the company except for unlisted investments totalling £22,222 were transferred at their book value to Grove Industries Limited (formerly DLGN Limited). The balance owing by DLGN Limited at the balance sheet date was £4,934,431 (2014: £nil).

At the balance sheet date the company owed £nil (2014: £300,000) to GIL Investments Limited, a company controlled by L R Litwinowicz, T Middleton and J D Grove.

These amounts are in addition to the disclosures stated in notes 7 and 8.

The directors consider that these transactions have been undertaken at market value.

DLGN LIMITED
PREVIOUSLY KNOWN AS GROVE INDUSTRIES LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

16. POST BALANCE SHEET EVENTS

On 14 October 2015, a special resolution was passed to reduce the share capital of the company from £84,254 to £22,222 and the capital redemption reserve from £249,080 to £nil. The balance on these accounts thereby reduced was transferred to the profit and loss account.

On 11 November 2015, a dividend was paid to Grove Industries Limited, the parent company, in the sum of £4,934,431. The dividend was satisfied by way of reducing the balance owed by that company to £nil.

17. ULTIMATE CONTROLLING PARTY

The company is controlled by the trustees of the D L Grove 1991 Settlement Trust.