

**REGISTERED NUMBER: 07459482 (England and Wales)**

**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2012  
for  
Grove Developments Limited**

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# **Grove Developments Limited (Registered number: 07459482)**

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# Grove Developments Limited

Company Information  
for the Year Ended 31 March 2012

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**DIRECTORS.**

Surinder Arora  
Guy Morris  
Subash Arora  
Carlton Brown  
Athos Yiannis  
Sinead Hughes

**SECRETARY:**

Athos Yiannis

**REGISTERED OFFICE:**

The Grove  
Bath Road  
West Drayton  
Middlesex  
UB7 0DG

**REGISTERED NUMBER:**

07459482 (England and Wales)

**AUDITORS:**

BDO LLP  
Chartered Accountants  
and Registered Auditors  
55 Baker Street  
United Kingdom  
London  
W1U 7EU

# **Grove Developments Limited (Registered number: 07459482)**

## **Report of the Directors for the Year Ended 31 March 2012**

The directors present their report with the financial statements of the company for the year ended 31 March 2012

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property development

### **REVIEW OF BUSINESS**

The profit for the year, after taxation, amounted to £4,132,790 (2011 £18,814)

The year ended 31 March 2012 saw the successful completion of two projects during the year and the company is due to complete a further project in the near future and the commencement of several new contracts

### **Key Performance Indicators**

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are noted below

The key performance indicators are turnover, gross profit and gross profit percentage

	2012	2011
	£	£
Turnover	72,669,589	4,930,890
Gross profit	10,745,691	754,880
Gross profit %	<u>14.8%</u>	<u>15.3%</u>

### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2012 (2011 £Nil)

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

Surinder Arora  
Guy Morris  
Subash Arora  
Carlton Brown

Other changes in directors holding office are as follows

Athos Yiannis - appointed 12 March 2012  
Sinead Hughes - appointed 1 December 2011

### **RISKS AND UNCERTAINTIES**

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date

The company's policy in respect of credit risk, is to require appropriate credit checks on potential customers before sales are made

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of medium and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations

# **Grove Developments Limited (Registered number: 07459482)**

## **Report of the Directors for the Year Ended 31 March 2012**

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### **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.

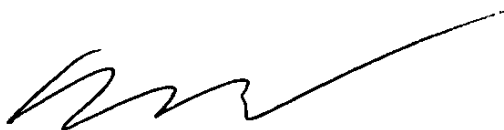
### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

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

### **ON BEHALF OF THE BOARD:**



Carlton Brown - Director

Date 13/09/12

**Report of the Independent Auditors to the Members of  
Grove Developments Limited**

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We have audited the financial statements of Grove Developments Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 three, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 2012 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.

**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.

**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.

BDO LLP

David Campbell (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
Chartered Accountants  
and Registered Auditors  
55 Baker Street  
United Kingdom  
London  
W1U 7EU

Date

13/9/12

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

# Grove Developments Limited (Registered number: 07459482)

## Profit and Loss Account for the Year Ended 31 March 2012

		Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
	Notes		
<b>TURNOVER</b>	2	72,669,589	4,930,890
Cost of sales		<u>61,923,898</u>	<u>4,176,010</u>
<b>GROSS PROFIT</b>		10,745,691	754,880
Administrative expenses		<u>1,086,124</u>	<u>173,444</u>
<b>OPERATING PROFIT</b>	5	9,659,567	581,436
Interest receivable and similar income	6	<u>1,005,982</u>	<u>45,870</u>
		10,665,549	627,306
Interest payable and similar charges	7	<u>6,532,759</u>	<u>608,492</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,132,790	18,814
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>4,132,790</u></u>	<u><u>18,814</u></u>

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period

# Grove Developments Limited (Registered number: 07459482)

## Balance Sheet 31 March 2012

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	9	20,000	-
<b>CURRENT ASSETS</b>			
Debtors	10	41,689,934	7,807,094
Cash at bank and in hand	11	<u>44,183,633</u>	<u>71,735,996</u>
		85,873,567	79,543,090
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>30,741,863</u>	<u>28,524,176</u>
<b>NET CURRENT ASSETS</b>		<u>55,131,704</u>	<u>51,018,914</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		55,151,704	51,018,914
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>51,000,000</u>	<u>51,000,000</u>
<b>NET ASSETS</b>		<u>4,151,704</u>	<u>18,914</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	100	100
Profit and loss account	16	<u>4,151,604</u>	<u>18,814</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u>4,151,704</u>	<u>18,914</u>

The financial statements were approved by the Board of Directors on its behalf by

13/09/12

and were signed on



Carlton Brown - Director

The notes on pages 7 to 12 form part of these financial statements



# Grove Developments Limited (Registered number: 07459482)

## Notes to the Financial Statements for the Year Ended 31 March 2012

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### 1 ACCOUNTING POLICIES

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The following principal accounting policies have been applied

#### **Financial Reporting Standard Number 1**

Under Financial Reporting Standard 1, the company is exempt from producing a cash flow statement on the grounds that it is a wholly owned subsidiary of a Arora Holdings Limited and the company is included in the consolidated financial statements

#### **Tangible fixed assets**

All fixed assets are recorded initially at cost. No depreciation is provided on land

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold land is subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle, or more often if considered appropriate

The profit or loss on disposal of revalued land is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves

#### **Deferred tax**

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates. Deferred tax is not discounted

#### **Turnover and long term contracts**

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover from long-term contract activities represents the fair value of work carried out during the period by reference to total sales value and the stage of completion of each contract including the movement in work in progress during the year. Where the outcome of each contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract. Estimates are included in respect of amounts not invoiced at the balance sheet date

Amounts recoverable on contracts represent the excess of work done including attributable profit over cumulative payments on account received. Payments on account in excess of work done are included within creditors

Turnover from other contract activities represents fee income receivable in respect of services provided during the year

#### **Going concern**

The financial statements have been prepared on the going concern basis which the directors' consider to be appropriate for the reasons set out below

The company meets its day to day working capital requirements and medium term funding requirements through banking facilities. The company has prepared cash flow projections for a period of more than 12 months from the balance sheet date which show that the company will continue to trade within its facilities for the foreseeable future. On this basis, the directors consider that it is appropriate to prepare the company's financial statements on a going concern basis

# Grove Developments Limited (Registered number: 07459482)

## Notes to the Financial Statements - continued for the Year Ended 31 March 2012

### 1 ACCOUNTING POLICIES - continued

#### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

### 2 TURNOVER

Turnover and loss before taxation are attributable to the one principal activity of the company and arise solely in the United Kingdom.

### 3 STAFF COSTS

	Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
Wages and salaries	273,093	3,651
Social security costs	25,893	224
Other pension costs	<u>2,598</u>	<u>-</u>
	<u>301,584</u>	<u>3,875</u>

The average monthly number of employees during the year was as follows

	Year Ended 31.3.12	Period 3 12 10 to 31 3 11
Management	<u>7</u>	<u>2</u>

### 4 DIRECTORS' EMOLUMENTS

None of the directors were paid emoluments for their services as directors of Grove Developments Limited during the year (2011: £nil). It is not considered practicable to allocate their remuneration between the Group companies of which they are directors. Their remuneration is disclosed in the financial statements of the parent company, Arora Holdings Limited. No directors accrued benefits under defined contribution schemes during the year (2011: £nil).

### 5 OPERATING PROFIT

The operating profit is stated after charging

	Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
Auditors' remuneration	<u>15,000</u>	<u>-</u>

Auditor's remuneration in 2011 was borne by Arora Holdings Limited, the company's ultimate parent.

# Grove Developments Limited (Registered number: 07459482)

## Notes to the Financial Statements - continued for the Year Ended 31 March 2012

### 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
Deposit account interest	<u>1,005,982</u>	<u>45,870</u>

### 7 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
Loan	<u>6,532,759</u>	<u>608,492</u>

### 8 TAXATION

#### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the period ended 31 March 2011

#### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31.3.12 £	Period 3 12 10 to 31 3 11 £
Profit on ordinary activities before tax	<u>4,132,790</u>	<u>18,814</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	1,074,525	5,268
Effects of Non deductible expenses	34	4,304
Group relief claimed	<u>(1,074,559)</u>	<u>(9,572)</u>
Current tax charge	<u>-</u>	<u>-</u>

# Grove Developments Limited (Registered number: 07459482)

## Notes to the Financial Statements - continued for the Year Ended 31 March 2012

### 9 TANGIBLE FIXED ASSETS

	Freehold land £
<b>COST</b>	
Additions	<u>20,000</u>
At 31 March 2012	<u>20,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>20,000</u>

### 10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	10,106,870	4,550,000
Amounts owed by group undertakings	661,055	-
Amounts recoverable on contract	28,512,812	2,055,412
Other debtors	6,095	100
Related party debts	1,384,107	-
Prepayments and accrued income	<u>1,018,995</u>	<u>1,201,582</u>
	<u>41,689,934</u>	<u>7,807,094</u>

### 11 CASH AT BANK AND IN HAND

Included in cash at bank and in hand is restricted cash at bank of £30,413,880 (2011 £64,263,588). This represents escrow accounts required under two development agreements entered into by the group, the terms of which only allow the cash to be drawn down and used to pay for the development of the properties specified in the agreements.

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Other loans (see note 13)	10,144,779	-
Payments on account	-	20,653,059
Trade creditors	2,616,254	176,109
Amounts owed to group undertakings	2,212,722	759,594
Social security and other taxes	942,261	4,442,470
Other creditors	29,826	832
Directors' loans	2,211,272	-
Accruals and deferred income	<u>12,584,749</u>	<u>2,492,112</u>
	<u>30,741,863</u>	<u>28,524,176</u>

### 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Other loans (see note 13)	<u>51,000,000</u>	<u>51,000,000</u>

# Grove Developments Limited (Registered number: 07459482)

## Notes to the Financial Statements - continued for the Year Ended 31 March 2012

### 14 LOANS

An analysis of the maturity of loans is given below

	2012 £	2011 £
Amounts falling due within one year or on demand		
Related party loans	172,441	-
Other loans	<u>9,972,338</u>	<u>-</u>
	<u>10,144,779</u>	<u>-</u>
Amounts falling due between two and five years		
Other loans	<u>51,000,000</u>	<u>51,000,000</u>

During the previous period, the company was loaned £51,000,000 by a third party to fund a future project. The term of the loan is four years, with annual interest of 8.03% payable quarterly in advance.

### 15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
100	Ordinary	100	<u>100</u>	<u>100</u>

### 16 RESERVES

	Profit and loss account £
At 1 April 2011	18,814
Profit for the year	<u>4,132,790</u>
At 31 March 2012	<u>4,151,604</u>

## **Grove Developments Limited (Registered number: 07459482)**

### **Notes to the Financial Statements - continued for the Year Ended 31 March 2012**

#### **17 RELATED PARTY DISCLOSURES**

The company is a wholly-owned subsidiary of Arora Holdings Limited and utilises the exemption contained in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose any transactions with wholly-owned entities that are part of the group. The consolidated financial statements of Arora Holdings are available to the public and can be obtained from The Grove, Bath Road, Harmondsworth, Middlesex, UB7 0DG.

At the year end, the company was owed £211,666 (2011: £Nil) by Arora Family Trust No 4 and its subsidiaries and £1,000,000 (2011: £Nil) due from Arora Family Trust No 5 and its subsidiaries.

At the year end, £2,211,272 (2011: £Nil) was owed to Mr S Arora.

The above entities are related via Mr S Arora, who is the ultimate beneficiary of all entities.

#### **18 ULTIMATE CONTROLLING PARTY**

The immediate parent of Grove Developments Limited is Arora Management Services Limited and ultimate parent company is Arora Holdings Limited, a company registered in the United Kingdom, and the parent of the largest and smallest group for which group accounts are drawn up and of the which company is a member.

The ultimate controlling parties of Arora Holdings Limited are Surinder and Sunita Arora, due to their majority shareholding in the company, both of whom are directors of the parent company.

The consolidated financial statements of Arora Holdings Limited are available to the public and can be obtained from The Grove, Bath Road, Harmondsworth, Middlesex, UB7 0DG.

#### **19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>4,132,790</b>	18,814
Shares issued during the year	<b>-</b>	100
<b>Net addition to shareholders' funds</b>	<b>4,132,790</b>	18,914
Opening shareholders' funds	<b>18,914</b>	-
<b>Closing shareholders' funds</b>	<b>4,151,704</b>	18,914