

Groundstyle Limited

ABBREVIATED FINANCIAL STATEMENTS

30 June 2006

Company Registration No. 4069786

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COMPANIES HOUSE

INDEPENDENT AUDITORS' REPORT TO GROUNDSTYLE LIMITED UNDER
SECTION 247B COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of Groundstyle Limited for the year ended 30 June 2006 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with those provisions.

Baker Tilly

BAKER TILLY
Registered Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

20 December 2006

Groundstyle Limited

BALANCE SHEET

at 30 June 2006

	Note	2006		2005	
		£	£	£	£
FIXED ASSETS					
Intangible assets	1		5,750		6,750
Tangible assets	2		312,035		297,817
			317,785		304,567
CURRENT ASSETS					
Debtors		72,385		71,681	
Cash at bank and in hand		22,999		40,175	
		95,384		111,856	
CREDITORS: Amounts falling due within one year	3	(59,929)		(85,071)	
NET CURRENT ASSETS			35,455		26,785
TOTAL ASSETS LESS CURRENT LIABILITIES			353,240		331,352
CREDITORS: Amounts falling due after more than one year	4	(300,826)		(321,324)	
NET ASSETS			52,414		10,028
CAPITAL AND RESERVES					
Called up share capital	5		102		102
Profit and loss account			52,312		9,926
EQUITY SHAREHOLDERS' FUNDS			52,414		10,028

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements on pages 2 to 6 were approved by the board of directors and authorised for issue on 30 December 2006 and were signed on its behalf by:

P McVay
Director



Groundstyle Limited

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost accounting rules.

Under Financial Reporting Standard ('FRS') 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds of its size.

FRS 21 (Events after the balance sheet date) and the applicable parts of FRS 25 (Financial instruments: disclosure and presentation) and FRS 28 (Corresponding amounts) have been adopted for the first time in these financial statements.

None of the FRSS have had a significant effect on the prior year results and as such no prior year adjustment has been made in these financial statements.

TANGIBLE FIXED ASSETS

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives, as follows:

Freehold land	-	no depreciation
Freehold property	-	2% on cost
Improvements to property	-	25% reducing balance
Furniture, fixtures and fittings	-	10% reducing balance
Office equipment	-	25% reducing balance

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective. Provision is made for any permanent impairment.

LEASED ASSETS AND OBLIGATIONS

Operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

TURNOVER

Turnover represents the fees (net of Value Added Tax) derived from the provision of nursing care services to customers during the year. Income is recognised on a daily basis for the provision of nursing care services.

Groundstyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

1 INTANGIBLE FIXED ASSETS

	Goodwill £
<i>Cost</i>	
At beginning and end of year	10,000
<i>Amortisation</i>	
At beginning of year	3,250
Charge for the year	1,000
At end of year	4,250
<i>Net book value</i>	
At 30 June 2006	5,750
At 30 June 2005	6,750

2 TANGIBLE FIXED ASSETS

	Total £
<i>Cost</i>	
At beginning of year	348,831
Additions	23,815
At end of year	372,646
<i>Depreciation</i>	
At beginning of year	51,014
Charge for the year	9,597
At end of year	60,611
<i>Net book value</i>	
At 30 June 2006	312,035
At 30 June 2005	297,817

Groundstyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

3 CREDITORS: Amounts falling due within one year

Bank loans and overdrafts of £16,978 (2005: £10,364) are secured.

4 CREDITORS: Amounts falling due after more than one year

Included in the total are the following amounts which are due in more than five years:

	2006 £	2005 £
Repayable by instalments	265,215	293,259
Bank loans of £300,826 (2005: £321,324) are secured.		

5 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised: Equity: 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid: Equity: 102 ordinary shares of £1 each	102	102

6 CONTINGENT LIABILITIES

The company is party to an unlimited composite guarantee arrangement in favour of The Royal Bank of Scotland Plc. At 30 June 2006 the contingent liability amounted to £3,867,846 (2005: £3,692,033).

Groundstyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

7 RELATED PARTY DISCLOSURES

At the year end the amounts owed to/(due from) group undertakings were as follows:

	2006 £	2005 £
Hyde Lea Holdings Limited	(35,355)	(37,010)
Hyde Lea Nursing Homes Limited	3,908	3,908
Rowans Care Homes Limited	1,762	-
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The company was charged expenses of £nil (2005: £nil) from other group undertakings.

The company is recharged medical and nursing services from Hyde Lea Holdings Limited of £34,000 (2005: £36,000).

8 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Hyde Lea Holdings Limited, a company incorporated in England and Wales. On 7 December 2005 the shares in Hyde Lea Holdings Limited were acquired by Hyde Lea Group Limited. From this date the ultimate holding company became Hyde Lea Group Limited. Hyde Lea Group Limited is under the joint control of P McVay and C Mullin.