

Groundstyle Limited

ABBREVIATED FINANCIAL STATEMENTS

30 June 2007

Company Registration No. 04069786

THURSDAY



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COMPANIES HOUSE

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

We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of Groundstyle Limited for the year ended 30 June 2007 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 UK Audit LLP

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

21 December 2007

Groundstyle Limited

BALANCE SHEET

at 30 June 2007

	Note	2007	2006
		£	£
FIXED ASSETS			
Intangible assets	1	4,750	5,750
Tangible assets	2	329,405	312,035
		<u>334,155</u>	<u>317,785</u>
CURRENT ASSETS			
Debtors		26,275	72,385
Cash at bank and in hand		18,348	22,999
		<u>44,623</u>	<u>95,384</u>
CREDITORS Amounts falling due within one year	3	(192,697)	(59,929)
NET CURRENT (LIABILITIES)/ASSETS		<u>(148,074)</u>	<u>35,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>186,081</u>	<u>353,240</u>
CREDITORS Amounts falling due after more than one year	4	(181,490)	(300,826)
NET ASSETS		<u>4,591</u>	<u>52,414</u>
CAPITAL AND RESERVES			
Called up share capital	5	102	102
Profit and loss account		4,489	52,312
EQUITY SHAREHOLDERS' FUNDS		<u>4,591</u>	<u>52,414</u>

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

The financial statements on pages 2 to 6 were approved by the board and authorised for issue on 20 December 2007 and are 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 No 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds of its size

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes its liabilities will be paid as they fall due. The company is dependent on Hyde Lea Holdings Limited for its long-term support. The company has indicated their continued support for the foreseeable future.

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
Motor vehicles	-	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 the profit and loss account 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 2007

1 INTANGIBLE FIXED ASSETS

	Goodwill £
<i>Cost</i>	
At beginning and end of year	10,000
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<i>Amortisation</i>	
At beginning of year	4,250
Charge for the year	1,000
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At end of year	5,250
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<i>Net book value</i>	
At 30 June 2007	4,750
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At 30 June 2006	5,750
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2 TANGIBLE FIXED ASSETS

	Total £
<i>Cost</i>	
At beginning of year	372,646
Additions	33,435
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At end of year	406,081
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<i>Depreciation</i>	
At beginning of year	60,611
Charge for the year	16,065
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At end of year	76,676
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<i>Net book value</i>	
At 30 June 2007	329,405
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At 30 June 2006	312,035
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Groundstyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2007

3 CREDITORS: Amounts falling due within one year

Bank loans and overdrafts of £30,828 (2006 £16,978) are secured.

4 CREDITORS Amounts falling due after more than one year

Bank loans of £181,490 (2006 £300,826) are secured

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

ANALYSIS OF DEBT MATURITY

	2007 £	2006 £
Repayable by instalments	<u>117,793</u>	<u>265,215</u>

5 CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised. Equity 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid. Equity 102 ordinary shares of £1 each	<u>102</u>	<u>102</u>

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 2007 the contingent liability amounted to £500,554 (2006 £3,867,846)

Groundstyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2007

7 RELATED PARTY DISCLOSURES

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

	2007 £	2006 £
Hyde Lea Holdings Limited	110,513	(35,355)
Hyde Lea Nursing Homes Limited	3,908	3,908
Rowans Care Homes Limited	-	1,762

The company was charged expenses of £16,630 (2006 £nil) from other group undertakings

The company is recharged medical and nursing services from Hyde Lea Holdings Limited of £49,650 (2006 £34,000)

During the year Hyde Lea Holdings Limited repaid loans taken out by the company. These amounted to £109,238 (2006 £nil)

Groundstyle paid dividends of £25,000 (2006 £nil) to Hyde Lea Holdings Limited during the year

8 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Hyde Lea Holdings Limited, a company incorporated in England and Wales. The ultimate holding company is Hyde Lea Group Limited. Hyde Lea Group Limited is under the joint control of P McVay and C Mullin.