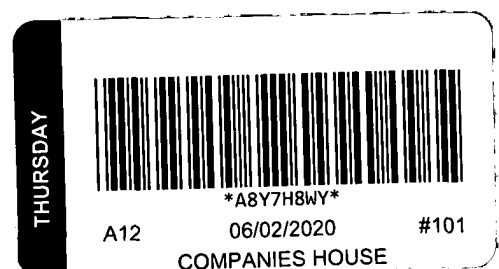


Company Registration No. 04069786 (England and Wales)

GROUNDSTYLE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019
PAGES FOR FILING WITH REGISTRAR



GROUNDSTYLE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	5	-	-	-	-
Tangible assets	6	463,437		518,346	
		<u>463,437</u>		<u>518,346</u>	
Current assets					
Debtors	7	397,690		487,749	
Cash at bank and in hand		94,371		34,572	
		<u>492,061</u>		<u>522,321</u>	
Creditors: amounts falling due within one year	8	<u>(915,214)</u>		<u>(973,510)</u>	
Net current liabilities			(423,153)		(451,189)
Total assets less current liabilities			40,284		67,157
Creditors: amounts falling due after more than one year	9		(807)		(10,495)
Provisions for liabilities			<u>(12,992)</u>		<u>(16,791)</u>
Net assets			<u>26,485</u>		<u>39,871</u>
Capital and reserves					
Called up share capital	11		102		102
Profit and loss reserves			26,383		39,769
Total equity			<u>26,485</u>		<u>39,871</u>

GROUNDSTYLE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2019

The directors of the company have elected not to include a copy of the income statement within the financial statements.

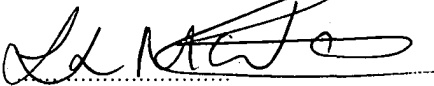
For the financial year ended 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30 January 2020 and are signed on its behalf by:



J McVay
Director

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Groundstyle Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Weston House Nursing Home, 344 Weston Road, Weston Coyney, Stoke on Trent, Staffordshire, ST3 6HD.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of consideration and represents the fees 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.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% on cost
Property improvements	25% reducing balance
Office equipment	25% reducing balance
Fixtures and fittings	3-5 years straight line
Motor vehicles	25% reducing balance

No depreciation has been charged on freehold land.

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the assets as if it were at the age and in the condition expected at the end of its useful life.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument, and are offset only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies are initially recognised at transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

The company has net current liabilities of £423,153 (2018: £451,189) because the bank loan balance of £792,920 (2018: £850,558) is included in current liabilities. This was to comply with accounting standards because the company had breached a financial covenant, giving HSBC Bank Plc the right to demand the immediate repayment of the loan. No repayment has been demanded by HSBC Bank Plc. The directors have confirmed that the original loan terms with HSBC Bank Plc will still apply and will be repayable over 11 years.

Derecognition of financial liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 35 (2018 - 34).

3 Directors' remuneration and dividends

	2019 £	2018 £
Remuneration paid to directors	10,000	10,000

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

4 Dividends

	2019 £	2018 £
Final paid	100,000	100,000

Dividends were paid at a rate of £980.39 per share (2018: £980.39 per share).

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2018 and 30 June 2019	10,000
Amortisation	
At 1 July 2018 and 30 June 2019	10,000
Carrying amount	
At 30 June 2019	-
At 30 June 2018	-

6 Tangible fixed assets

	Freehold property £	Property improvements £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 July 2018	269,841	708,978	5,814	170,985	73,864	1,229,482
Additions	-	28,245	1,248	1,619	-	31,112
Disposals	-	(162)	-	-	-	(162)
At 30 June 2019	269,841	737,061	7,062	172,604	73,864	1,260,432
Depreciation						
At 1 July 2018	43,297	471,366	5,394	157,242	33,837	711,136
Depreciation charged in the year	2,698	62,718	418	10,018	10,007	85,859
At 30 June 2019	45,995	534,084	5,812	167,260	43,844	796,995
Carrying amount						
At 30 June 2019	223,846	202,977	1,250	5,344	30,020	463,437
At 30 June 2018	226,544	237,612	420	13,743	40,027	518,346

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

7 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	53,279	57,030
Amounts owed by group undertakings	327,298	394,768
Amounts owed by associated undertakings	12,371	30,807
Other debtors	4,742	5,144
	<u>397,690</u>	<u>487,749</u>

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	792,920	850,558
Trade creditors	21,389	25,510
Corporation tax	37,662	40,317
Other taxation and social security	5,192	5,118
Other creditors	58,051	52,007
	<u>915,214</u>	<u>973,510</u>

On 22 December 2015 the company entered into a loan arrangement with HSBC Bank PLC which has payment terms over 15 years. In order to support this loan a debenture and a legal charge was created with HSBC Bank PLC over all present and future assets of the company.

During the year the directors identified that the Company had breached a financial covenant in the bank loan agreement, which gave HSBC Bank Plc the right to demand the immediate repayment of the loan and was therefore adjusted to be disclosed as due within less than one year. The carrying amount of the loan at the end of the year was £792,920 (2018: £850,558).

9 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>807</u>	<u>10,495</u>

Other creditors amounting to £10,495 (2018: £20,183) are secured against the motor vehicle acquired with a net book value of £24,842 (2018: £33,123).

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

10 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	12,992	16,791
	<u>12,992</u>	<u>16,791</u>

11 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 102 ordinary shares of £1 each	102	102
	<u>102</u>	<u>102</u>

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	-	4,565

13 Related party transactions

During the year an associated company, of which the company has common directors and shareholders, paid expenses on behalf of the company of £20,697 (2018: £2,772). The company also made transfers of £nil (2018: £1,279). At the year end the amount owed by the related party was £2,672 (2018: £23,369).

During the year the company paid rent to the pension scheme of the directors of £8,130 (2018: £8,130).

During the year the company paid expenses on behalf of an associated company of which the company has common control of one of the directors of £2,260 (2018: £2,015). At the year end the amount owed by the related party was £9,699 (2018: £7,439) and is included in amounts due to associated companies.