Company Registration No. 04069786 (England and Wales)

GROUNDSTYLE LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR

Company Registration No. 04069786

GROUNDSTYLE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	6		-		-
Tangible assets	7		523,990		592,392
			523,990		592,392
Current assets					
Debtors	8	479,677		653,303	
Cash at bank and in hand		61,701		68,444	
		541,378		721,747	
Creditors: amounts falling due within one year	9	(1,030,846)		(374,978)	
Net current (liabilities)/assets			(489,468)		346,769
Total assets less current liabilities			34,522		939,161
Creditors: amounts falling due after more than one year	10		-		(912,352)
Provisions for liabilities			-		(20,323)
Net assets			34,522		6,486
Capital and reserves					
Called up share capital	12		102		102
Profit and loss reserves	13		34,420		6,384
Total equity			34,522		6,486

Company Registration No. 04069786

GROUNDSTYLE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2017

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 2017 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 Act 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 28 March 2018 and are signed on its behalf by:

J McVay
Director

1 Accounting policies

Company information
Groundstyle Limited is a private company limited by shares 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.

First time adoption of FRS102
These financial statements are the first financial statements of Groundstyle Limited prepared in accordance with FRS 102. The financial statements of Groundstyle Limited for the year ended 30 June 2016 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standard for Smaller Entities (effective January 2015). Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 18.

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.

1 Accounting policies (Continued)

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	20-33.3% reducing balance
Motor vehicles	25% reducing balance

No depreciation has been charged on freehold land.

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 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.

1 Accounting policies (Continued)

At the year end, the company had net current liabilities of £489,468 (2016: assets of £346,769) because the bank loan balance of £910,676 is included in current liabilities. This was to comply with accounting standards because the company has breached a financial covenant, giving HSBC Bank Plc the right to demand the immediate repayment of the loan. No repayment had been demanded by HSBC Bank Plc. Following the year end, the directors have confirmed that the original loan terms with HSBC Bank Plc will apply and which will be repayable over 13 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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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 period.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 30 (2016 - 30).

3 Directors' remuneration

	2017	2016
	£	£
Remuneration paid to directors	40,481	46,492

4 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	52,184	67,935
Deferred tax		
Origination and reversal of timing differences	(33,457)	(1,128)
Total tax charge	18,727	66,807

5 Dividends

	2017	2016
	£	£
Final paid	150,000	140,000

Dividends were paid at a rate of £1,470.59 per share (2016: £1,372.55 per share).

6 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 July 2016 and 30 June 2017	10,000
Amortisation	
At 1 July 2016 and 30 June 2017	10,000
Carrying amount	
At 30 June 2017	-
At 30 June 2016	-

7 Tangible fixed assets

	Freehold property	Property improvements	Office equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2016	269,841	655,359	5,814	142,297	29,700	1,103,011
Additions	-	15,728	-	16,143	-	31,871
At 30 June 2017	269,841	671,087	5,814	158,440	29,700	1,134,882
Depreciation						
At 1 July 2016	37,901	310,258	5,063	139,971	17,426	510,619
Depreciation charged in the year	2,698	87,724	189	6,594	3,068	100,273
At 30 June 2017	40,599	397,982	5,252	146,565	20,494	610,892
Carrying amount						
At 30 June 2017	229,242	273,105	562	11,875	9,206	523,990
At 30 June 2016	231,941	345,101	750	2,326	12,274	592,392

8 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	44,167	41,772
Amounts owed by group undertakings	383,439	606,138
Amounts owed by associated undertakings	32,844	-
Other debtors	6,093	5,393
Prepayments and accrued income	5,093	5,393
Deferred tax asset	13,134	-
	479,677	653,303

9 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans	910,676	58,608
Trade creditors	23,279	9,976
Amounts due to associated undertakings	-	187,229
Corporation tax	52,184	67,935
Other taxation and social security	6,299	4,768
Other creditors	38,408	46,462
	1,030,846	374,978

During the year the directors have identified that the Company has breached a financial covenant in the bank loan agreement, which gives HSBC Bank Plc the right to demand the immediate repayment of the loan and have adjusted the loan to be disclosed as less than one year. The carrying amount of the loan at the year end was £910,676. Following the year end, the directors have agreed terms with HSBC Bank Plc that the bank loan will revert to the bank's original terms with £852,068 being due in more than one year.

10 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	-	912,352

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.

11 Provisions for liabilities

	2017	2016
	£	£
Deferred tax liabilities	-	20,323
	-	20,323

Included within debtors is £13,134 (2016: £nil) of a deferred tax asset.

12 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
102 ordinary shares of £1 each	102	102

13 Reserves

	2017	2016
	£	£
At the beginning of the year	6,384	3,839
Profit for the year	178,036	142,545
Dividends	(150,000)	(140,000)
At the end of the year	34,420	6,384

14 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:

	2017	2016
	£	£
Within one year	9,130	9,130
Between one and five years	4,565	13,695
	13,695	22,825

15 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	43,188	-

16 Related party transactions

During the year the company paid expenses on behalf of a related party, of which the company has related directors and shareholders, of £5,351 (2016: £7,159 costs incurred), and made a transfer of £220,000 (2016: £60,000). At the year end the amount owed by the related party was £27,420 (2016: £187,229 owed to the related party).

During the year the company paid rent to the pension scheme of the directors of £7,291 (2016: £4,065).

The company has transacted with an associated company due to that company being under control of one of the directors.

During the year the company paid expenses on behalf of an associated company of £5,424 (2016: £nil). At the year end the amount owed by the associated company was £5,424 (2016: £nil) and is included in other debtors.

17 Parent company

The company is a wholly owned subsidiary of Maximum Care UK Limited, which is a company incorporated in England and Wales. The financial statements of that company are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Maximum Care UK Limited is under the control of Ms J McVay.

18 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 July 2015 £	30 June 2016 £
Equity as reported under previous UK GAAP and under FRS 102	3,941	6,486

Reconciliation of profit for the financial period

	2016 £
Profit as reported under previous UK GAAP and under FRS 102	142,545

Notes to reconciliations on adoption of FRS 102

A. Reclassification of long term debtors to short term debtors
Under former UK GAAP intercompany debtors with no set repayments were classified as due in more than one year. In line with FRS 102 these debtors have been shown as due within one year.