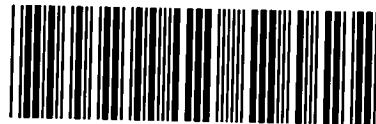


GROUNDSTYLE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018
PAGES FOR FILING WITH REGISTRAR

WEDNESDAY



A7XQ3GKG

A10

23/01/2019

#221

COMPANIES HOUSE

GROUNDSTYLE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	6	-	-	-	-
Tangible assets	7	518,346		523,990	
		<u>518,346</u>		<u>523,990</u>	
Current assets					
Debtors	8	487,749		479,677	
Cash at bank and in hand		34,572		61,701	
		<u>522,321</u>		<u>541,378</u>	
Creditors: amounts falling due within one year	9	(973,510)		(1,030,846)	
Net current liabilities			(451,189)		(489,468)
Total assets less current liabilities			67,157		34,522
Creditors: amounts falling due after more than one year	10		(10,495)		-
Provisions for liabilities			(16,791)		-
Net assets			<u>39,871</u>		<u>34,522</u>
Capital and reserves					
Called up share capital	12		102		102
Profit and loss reserves	13		39,769		34,420
Total equity			<u>39,871</u>		<u>34,522</u>

GROUNDSTYLE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2018

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

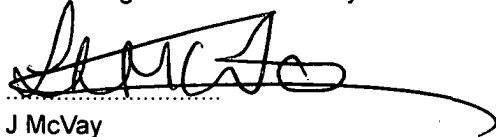
For the financial year ended 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 11 January 2019 and are signed on its behalf by:



J McVay
Director

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

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	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.

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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.

In the prior year, the company had net current liabilities of £489,468 because the bank loan balance of £910,676 was 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 was 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 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.

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.

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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 the income statement 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 34 (2017 - 30).

3 Directors' remuneration and dividends

	2018 £	2017 £
Remuneration paid to directors	10,000	10,000

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

4 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	40,317	52,184
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	3,657	(33,457)
Adjustment in respect of prior periods	26,268	-
	<u> </u>	<u> </u>
Total deferred tax	29,925	(33,457)
	<u> </u>	<u> </u>
 Total tax charge	 70,242	 18,727
	<u> </u>	<u> </u>

5 Dividends

	2018 £	2017 £
Final paid	100,000	150,000
	<u> </u>	<u> </u>

Dividends were paid at a rate of £980.39 per share (2017: £1,470.59 per share).

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2017 and 30 June 2018	10,000
	<u> </u>
Amortisation	
At 1 July 2017 and 30 June 2018	10,000
	<u> </u>
Carrying amount	
At 30 June 2018	-
	<u> </u>
At 30 June 2017	-
	<u> </u>

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

7 Tangible fixed assets

	Freehold property £	Property improvements £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 July 2017	269,841	671,087	5,814	158,440	29,700	1,134,882
Additions	-	37,891	-	12,545	55,443	105,879
Disposals	-	-	-	-	(11,279)	(11,279)
At 30 June 2018	269,841	708,978	5,814	170,985	73,864	1,229,482
Depreciation						
At 1 July 2017	40,599	397,982	5,253	146,565	20,495	610,894
Depreciation charged in the year	2,698	73,384	141	10,677	13,342	100,242
At 30 June 2018	43,297	471,366	5,394	157,242	33,837	711,136
Carrying amount						
At 30 June 2018	226,544	237,612	420	13,743	40,027	518,346
At 30 June 2017	229,242	273,105	562	11,875	9,206	523,990

8 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	57,030	44,167
Amounts owed by group undertakings	394,768	383,439
Amounts owed by associated undertakings	30,807	32,844
Other debtors	5,144	6,093
Deferred tax asset	-	13,134
	487,749	479,677

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	850,558	910,676
Trade creditors	25,510	23,279
Corporation tax	40,317	52,184
Other taxation and social security	5,118	6,299
Other creditors	52,007	38,408
	<u>973,510</u>	<u>1,030,846</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 £850,558 (2017: £910,676).

10 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	10,495	-
	<u>10,495</u>	<u>-</u>

Other creditors amounting to £20,183 are secured against the motor vehicle acquired with a net book value of £33,123.

11 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities	16,791	-
	<u>16,791</u>	<u>-</u>

Included within debtors is £nil (2017: £13,134) of a deferred tax asset.

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

12 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 102 ordinary shares of £1 each	102	102
	<u>102</u>	<u>102</u>

13 Reserves

	2018 £	2017 £
At the beginning of the year	34,420	6,384
Profit for the year	105,349	178,036
Dividends	(100,000)	(150,000)
At the end of the year	<u>39,769</u>	<u>34,420</u>

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:

	2018 £	2017 £
Within one year	4,565	9,130
Between one and five years	-	4,565
	<u>4,565</u>	<u>13,695</u>

15 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	-	43,188

GROUNDSTYLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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 £2,772 (2017: £5,351), and made a transfer of £1,279 (2017: £220,000). At the year end the amount owed by the related party was £23,369 (2017: £27,420).

During the year the company paid rent to the pension scheme of the directors of £8,130 (2017: £7,291).

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 £2,015 (2017: £5,424). At the year end the amount owed by the associated company was £7,439 (2017: £5,424) and is included in amounts due to associated companies.