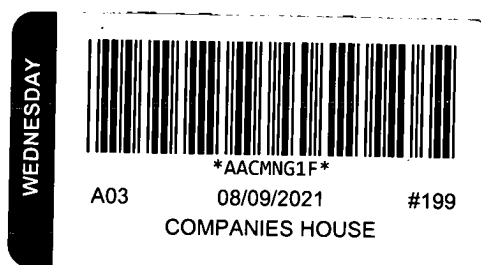


Registered number: 09369545

Hollyblue Healthcare (St. Georges) Limited

Directors' report and audited financial statements

For the year ended 31 December 2020



Hollyblue Healthcare (St. Georges) Limited

Contents

	Page(s)
Company information	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 16

Hollyblue Healthcare (St. Georges) Limited

Company information

Directors	M C Glowasky P A Smith J C Diaz-Sanchez
------------------	---

Registered number	09369545
--------------------------	----------

Registered office	2 Merchants Drive Parkhouse Carlisle Cumbria CA3 0JW
--------------------------	--

Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
----------------------------	---

Hollyblue Healthcare (St. Georges) Limited

Directors' report For the year ended 31 December 2020

The directors present their report and the audited financial statements of Hollyblue Healthcare (St. Georges) Limited ("the company") for the year ended 31 December 2020.

Principal activity and review of the business

The principal activity of the company during the year continued to be that of an investment property company operating in the care sector. The company's only property was sold during 2018.

Results

The profit for the year after taxation, amounted to £1,079,946 (2019: loss of £199,778).

Going concern

The company disposed of its sole property in 2018. The directors have assessed that the business cannot currently demonstrate that it is a going concern until various future options have been considered.

Accordingly the financial statements have not been prepared on a going concern basis and all assets/liabilities have been stated at their recoverable/payable amounts.

The directors consider that the COVID-19 pandemic will not have a significant impact on the entity going forward.

Directors

The directors who served the company during the year and up to the date of approval of this report were:

M C Glowasky
P A Smith
J C Diaz-Sanchez

Disclosure of information to the auditor

The directors at the time when this Directors' report is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

The auditor, BDO LLP, has indicated its willingness to continue in office and a resolution concerning its re-appointment will be put to the director at the board meeting approving these financial statements.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
P A Smith
Director

Date: 3 September 2021

Hollyblue Healthcare (St. Georges) Limited

Directors' responsibilities statement For the year ended 31 December 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2.3 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hollyblue Healthcare (St. Georges) Limited

Independent auditor's report to the members of Hollyblue Healthcare (St. Georges) Limited For the year ended 31 December 2020

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hollyblue Healthcare (St. Georges) Limited ("the company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation other than going concern

We draw attention to note 2.3 to the financial statements which express that the directors have assessed that the entity cannot demonstrate that it is a going concern at present and therefore do not consider the company to be a going concern.

Accordingly the financial statements have been prepared on a basis other than that of going concern as disclosed in note 2.3. Our report isn't modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Hollyblue Healthcare (St. Georges) Limited

Independent auditor's report to the members of Hollyblue Healthcare (St. Georges) Limited (Continued) For the year ended 31 December 2020

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- appropriate, given the potential for management bias and the significance of this key figure within the financial statements;
- vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 31 December 2020.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, or the greater the concealment of irregularities, including fraud, the less likely we are to become aware of it.

Hollyblue Healthcare (St. Georges) Limited

Independent auditor's report to the members of Hollyblue Healthcare (St. Georges) Limited (Continued) For the year ended 31 December 2020

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. A summary of the procedures we designed and executed to detect irregularities, including fraud is set out below:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud and tested accordingly;
- reading minutes of those charged with governance and reviewing correspondence with regulatory bodies, such as HMRC and The Care Quality Commission, for indications of non-compliance with laws and regulations;
- assessing whether the accounting policies, treatments and presentation adopted in the financial statements is in accordance with United Kingdom Generally Accepted Accounting Practice and whether there are instances of potential bias in areas with significant degrees of judgement;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of a sample of journal entries;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 31 December 2020.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, or the greater the concealment of irregularities, including fraud, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Martin Gill

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, UK

Date: 06 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Hollyblue Healthcare (St. Georges) Limited

Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(50,871)	(51,242)
Provision for group debtors	5	-	(45,607)
Group debts forgiven	5	1,194,543	-
Operating profit/(loss)	5	1,143,672	(96,849)
Interest payable and similar charges	7	(63,726)	(102,995)
Profit/(loss) before taxation		1,079,946	(199,844)
Tax on profit/(loss)	8	-	66
Profit/(loss) for the year		1,079,946	(199,778)
Other comprehensive income		-	-
Total comprehensive income/(expense)		1,079,946	(199,778)

The notes on pages 10 to 16 form part of these financial statements.


Hollyblue Healthcare (St. Georges) Limited
Registered number: 09369545

Statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Debtors	9	24,526	369,901
Cash and cash equivalents	10	11,776	438
		<u>36,302</u>	<u>370,339</u>
Creditors: amounts falling due within one year	11	<u>(156,045)</u>	<u>(1,570,028)</u>
Net current liabilities		(119,743)	(1,199,689)
Total assets less current liabilities		<u>(119,743)</u>	<u>(1,199,689)</u>
Creditors: amounts falling due after more than one year	12	(370,239)	(370,239)
Net liabilities		<u>(489,982)</u>	<u>(1,569,928)</u>
Capital and reserves			
Called up share capital	15	73	73
Share premium account		880,806	880,806
Retained earnings		(1,370,861)	(2,450,807)
Total equity		<u>(489,982)</u>	<u>(1,569,928)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 section 1A – small companies.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
P A Smith
Director

Date: 3 September 2021

The notes on pages 10 to 16 form part of these financial statements.

Hollyblue Healthcare (St. Georges) Limited

**Statement of changes in equity
For the year ended 31 December 2020**

	Called up share capital £	Share premium account £	Retained earnings £	Total equity £
At 1 January 2019	73	339,241	(2,251,029)	(1,911,715)
Loss for the year	-	-	(199,778)	(199,778)
Increase in share premium	-	541,565	-	541,565
At 31 December 2019	73	880,806	(2,450,807)	(1,569,928)
Profit for the year	-	-	1,079,946	1,079,946
At 31 December 2020	73	880,806	(1,370,861)	(489,982)

The notes on pages 10 to 16 form part of these financial statements.

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

1. General information

Hollyblue Healthcare (St. Georges) Limited is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office is 2 Merchants Drive, Parkhouse, Carlisle, Cumbria CA3 0JW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of freehold investment property measured at fair value through the statement of comprehensive income, and in accordance with Financial Reporting Standard 102 ("FRS 102"), "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Companies Act 2006, as applicable to the small companies regime.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (note 3).

The presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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.

2.3 Going concern

The company disposed of its sole property in 2018. The directors have assessed that the business cannot currently demonstrate that it is a going concern until various future options have been considered.

Accordingly the financial statements have not been prepared on a going concern basis and all assets/liabilities have been stated at their recoverable/payable amounts although this restatement did not result in any impact on the figures within the financial statements.

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover, comprised of rental income, is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Financial instruments

Financial assets

Basic financial instruments, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, less any impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial liabilities

Financial liabilities, including trade and other payables, and loans from related parties are initially recognised at transaction price, less any impairment.

Financial liabilities that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment gain is recognised in the Statement of comprehensive income.

Other financial liabilities, including derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

2.11 Taxation

Tax is recognised in the Statement of comprehensive income and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors might be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported for turnover and expenses during the year.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company being that of an investment property company operating in the care sector. The company's property was disposed of in 2018.

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

	2020 £	2019 £
The operating (loss)/profit is stated after charging:		
Provision for group debtors	-	45,607
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,200	3,625

During the year ended 31 December 2020, the company forgave intercompany debts of £1,194,543 (2019: £Nil) resulting in an exceptional credit to operating profit.

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

6. Employees

The company has no employees (2019: none). The company had three directors during the year (2019: three), who did not receive any prior year remuneration from this company (2019: £ nil).

7. Interest payable and similar charges

	2020 £	2019 £
Bank loan interest payable	-	36,231
Loan interest payable on other loans	44,429	44,429
Interest payable/(receivable) on swap derivatives	4,644	(2,143)
Total interest expense on financial liabilities not measured at fair value through the Statement of comprehensive income	49,073	78,517
Losses on derivative financial instruments measured at fair value	14,653	24,478
Total interest payable and similar charges	63,726	102,995

8. Tax on profit/loss

	2020 £	2019 £
Current tax		
Current tax	-	-
Adjustment in respect of previous periods	-	(66)
	-	(66)
Tax on profit/loss	-	(66)

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

8. Tax on profit/loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The re-calculation is below:

	2020 £	2019 £
Profit/(loss) before tax	1,079,946	(199,844)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	205,189	(37,971)
Effects of:		
(Income)/expenses not deductible	(226,962)	8,666
Group relief surrendered	21,773	29,305
Adjustment in respect of previous periods	-	(66)
	-	(66)

As at the balance sheet date, the government had enacted legislation to keep the corporation tax rate at 19%. However, during the Budget in March 2021, the Chancellor of the Exchequer announced that the government would legislate to keep the corporation tax rate at 19% until 2023 at which point it would increase to 25%. This announcement does not amount to a significant impact on the deferred tax charge for the year.

9. Debtors

	2020 £	2019 £
Amounts due from group undertakings	-	345,375
Corporation tax	24,526	24,526
	24,526	369,901

Amounts due from group undertakings were interest free and repayable on demand.

10. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	11,776	438

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,107	2,910
Amounts due to group undertakings	-	1,480,716
Other creditors	100,816	56,388
Swap derivative	35,554	20,901
Accruals and deferred income	16,568	9,113
	<u>156,045</u>	<u>1,570,028</u>

Amounts due to group undertakings were interest free and repayable on demand. During the year certain debts due to group undertakings of £1,194,543 (2019: £nil) were forgiven.

12. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>370,239</u>	<u>370,239</u>
	<u>370,239</u>	<u>370,239</u>

Secured loans

Other loans charge interest at 12%. Interest is paid quarterly on the initial draw-down amount. The loan is repayable in full on 2 June 2025. The loan was repaid in full since the year end by a fellow group company.

13. Contingent liabilities

Bank loans held by Hollyblue Healthcare (Red Hill) Limited and Hollyblue Healthcare (Norton Lees) Limited to the value of £2,905,488 (2019: £11,621,896) are secured by a composite guarantee between the above named entities and the Company.

14. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within 2-5 years		
Other loans	<u>370,239</u>	<u>370,239</u>

Hollyblue Healthcare (St. Georges) Limited

Notes to the financial statements For the year ended 31 December 2020

15. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
7,324 (2019: 7,324) Ordinary shares of £0.01 each	<u>73</u>	<u>73</u>

No dividends were paid in the year ended 31 December 2020 (2019: £nil).

16. Related party transactions

As a wholly owned subsidiary undertaking, the company has taken advantage of the exemption in paragraph 33.1A of FRS 102 from disclosing transactions with other group companies that are wholly owned within the group.

At the year end the company owed a principal amount of £370,239 (2019: £370,239) and accrued interest of £100,421 (2019: £55,992) from a company under common control. During the year, interest of £44,429 (2019: £44,429) was charged on the loan. The loan charge interest at 12%. Interest is paid quarterly on the initial draw-down amount. The loan is repayable in full on 2 June 2025, however it was repaid in full after the balance sheet date by a fellow group company.

17. Controlling party

The company's immediate parent undertaking is Monarch Property Holdings I S.A.R.L., a company registered in Luxembourg.

The company's ultimate controlling party is Monarch Master Funding Limited, a company registered in the Cayman Islands.