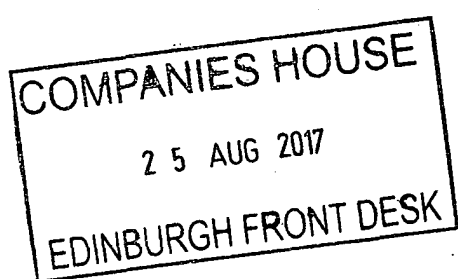


Registered number: 09891010

Hollyblue Healthcare (Gisburne Park) Limited

Director's report and audited financial statements

For the period from 26 November 2015 (date of incorporation) to 31 December 2016



Hollyblue Healthcare (Gisburne Park) Limited

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Hollyblue Healthcare (Gisburne Park) Limited

Company information

Director	M C Glowasky
Registered number	09891010
Registered office	11th Floor Two Snowhill Birmingham West Midlands B4 6WR
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX

Hollyblue Healthcare (Gisburne Park) Limited

Director's report

For the period from 26 November 2015 to 31 December 2016

The director presents his report and the audited financial statements of Hollyblue Healthcare (Gisburne Park) Limited ("the company") for the period from 26 November 2015 to 31 December 2016.

Principal activity

The company was incorporated on 26 November 2015 and commenced trading on 18 December 2015.

The principal activity of the company throughout the period ended 31 December 2016 was that of an investment property company operating in the care sector.

Results

The loss for the period after taxation amounted to £157,919.

Directors

The director who served the company during the period and up to the date of approval of this report was:

M C Glowasky (appointed 26 November 2015)

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has 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.

Hollyblue Healthcare (Gisburne Park) Limited

Director's report
For the period from 26 November 2015 to 31 December 2016

Independent auditor

The independent auditor, BDO LLP, was appointed during the period and has indicated its willingness to continue in office. 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 director has 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 by:



.....
M C Glowasky
Director

Date: 24 August 2017

Hollyblue Healthcare (Gisburne Park) Limited

Director's responsibilities statement

For the period from 26 November 2015 to 31 December 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 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, and applicable law). 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 and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 (Gisburne Park) Limited

Independent auditor's report

For the period from 26 November 2015 to 31 December 2016

We have audited the financial statements of Hollyblue Healthcare (Gisburne Park) Limited for the period ended 31 December 2016 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of director and auditor

As explained more fully in the statement of director's responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2016 and of its loss for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Hollyblue Healthcare (Gisburne Park) Limited

Independent auditor's report

For the period from 26 November 2015 to 31 December 2016

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Bao WP

Martin Gill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

Date *25 August 2017*

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

Hollyblue Healthcare (Gisburne Park) Limited

Statement of comprehensive income For the period from 26 November 2015 to 31 December 2016

	Note	Period from 26 November 2015 to 31 December 2016 £
Turnover	4	1,366,800
Cost of sales		(5,607)
Gross profit		1,361,193
Administrative expenses including revaluation loss on investment properties		(736,746)
Operating profit	5	624,447
Interest payable and similar charges	7	(752,647)
Loss before taxation		(128,200)
Tax on loss	8	(29,719)
Loss for the period		(157,919)
Other comprehensive income		-
Total comprehensive income for the period		(157,919)

The notes on pages 10 to 18 form part of these financial statements.

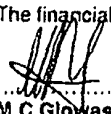
Hollyblue Healthcare (Gisburne Park) Limited

Statement of financial position
As at 31 December 2016
Registered number: 08891010

	Note	£	2016 £
Fixed assets			
Investment property	9		14,312,000
Current assets			
Debtors: amounts falling due within one year	10	734,127	
Cash and cash equivalents	11	159,393	
		<u>893,520</u>	
Creditors: amounts falling due within one year	12	(636,602)	
Net current assets			256,918
Total assets less current liabilities			<u>14,568,918</u>
Creditors: amounts falling due after more than one year	13		(11,458,741)
Net assets			<u>3,110,177</u>
Capital and reserves			
Called up share capital	18		3,424,677
Retained earnings			<u>(314,500)</u>
Total equity			<u>3,110,177</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:


.....
M C Glowasky
Director

Date: 24 August 2017

The notes on pages 10 to 18 form part of these financial statements.

Hollyblue Healthcare (Gisburne Park) Limited

Statement of changes in equity For the period from 26 November 2015 to 31 December 2016

	<i>Called up share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£	£	£
At 26 November 2015	-	-	-
Loss for the period	-	(157,919)	(157,919)
Shares issued during the period	3,521,096	-	3,521,096
Share capital reduction	(96,419)	-	(96,419)
Dividends declared	-	(156,581)	(156,581)
At 31 December 2016	3,424,677	(314,500)	3,110,177

The notes on pages 10 to 18 form part of these financial statements.

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

1. General information

Hollyblue Healthcare (Gisburne Park) Limited is a limited company incorporated and domiciled in England and Wales. The address of its registered office is 11th Floor, Two Snowhill, Birmingham, West Midlands, B4 6WR.

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 ("FRS102"), "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 (see 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 FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

2.3 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.

2.4 Investment property

Investment property is carried at fair value determined annually by the director on the basis of reports compiled by external valuers. These reports provide both a market value and range of values around this with a 5% sensitivity. These are derived from the current market rents and investment property yields for comparable real estate, and are adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

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 measured subsequently at amortised cost using the effective interest method, less any impairment.

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

2. Accounting policies (continued)

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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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.

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements

For the period from 26 November 2015 to 31 December 2016

2. Accounting policies (continued)

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.

2.12 Operating leases

Leases of investment properties where the company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised as profit or loss on a straight-line basis over the lease term.

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

In applying the company's accounting policies, the director may 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 director has not been required to use a significant degree of judgement in determining the timing and value of amounts recognised in the financial statements, other than that relating to the valuation of the investment properties. Their fair value is determined annually by the director on information provided by quarterly valuations made by Colliers International, the company's independent property advisers. The reports provide both a market value and range of values around this with a 5% sensitivity and are derived from the current market rents and investment property yields for comparable real estate. Consideration is also taken by the director of the volatility of the market from quarter to quarter.

The director is 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.

All turnover arose within the United Kingdom.

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

5. Operating profit

	<i>Period from 26 November 2015 to 31 December 2016</i>
	£
The operating profit is stated after charging:	
Loss on revaluation of investment property	677,104
Fees payable to the company's auditor for the audit of the company's annual financial statements	3,710
	<hr/>

6. Employees

The company has no employees. The company has one director, who did not receive any direct remuneration from this company.

7. Interest payable and similar charges

	<i>Period from 26 November 2015 to 31 December 2016</i>
	£
Bank loan interest payable	185,324
Interest payable on loans from group undertakings	482,430
Interest payable on swap derivatives	13,348
	<hr/>
Total interest expense on financial liabilities not measured at fair value through the Statement of comprehensive income	681,102
Losses on derivative financial instruments measured at fair value	71,545
	<hr/>
Total interest payable and similar charges	752,647
	<hr/>

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

8. Tax on loss

*Period from 26
November 2015
to 31 December
2016*
£

Current tax

Total current tax

29,719

Tax on loss

29,719

Factors affecting tax charge for the period

The tax assessed for the period is less than the standard rate of corporation tax in the UK of 20%. The calculation is below:

*Period from 26
November 2015
to 31 December
2016*
£

Loss before taxation

(128,200)

Loss multiplied by standard rate of corporation tax in the UK of 20%

(25,640)

Effects of:

Effects of group relief/other reliefs

(80,062)

Loss on revaluation

135,421

29,719

The UK Government legislated in the Finance (No.2) Act 2015 which received royal assent on 18 November 2015 to reduce the standard rate of UK corporation tax to 19% from 1 April 2017 and further to 18% from 1 April 2020. In the 2016 Finance Bill, the UK Government announced a further reduction in the rate of corporation tax to 17% from 1 April 2020. The reduced rates of UK corporation tax will affect future cash tax payments to be made by the company.

The loss on revaluation of £677,104 in the period could give rise to a potential deferred tax asset of £115,108, which can only be utilised when there are sufficient capital gains against which the loss can be offset. At this point it is uncertain that there will be sufficient capital gains for this loss to be offset.

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

9. Investment property

	<i>Freehold investment property £</i>
Valuation	
Additions at cost	14,989,104
Revaluation	<u>(677,104)</u>
At 31 December 2016	<u>14,312,000</u>

The 2016 valuations are based on the director's valuations, which are driven from quarterly valuations made by Colliers International, the company's independent property advisers, on an open market value for existing use basis. These reports provide the basis for an assessment to be made of the volatility of this market quarter to quarter. If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been valued as follows:

	<i>2016 £</i>
Historic cost	14,310,688
Capitalised purchase costs	<u>678,416</u>
	<u>14,989,104</u>

10. Debtors: amounts falling due within one year

	<i>2016 £</i>
Amounts due from group undertakings	402,546
Other debtors	<u>331,581</u>
	<u>734,127</u>

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

11. Cash and cash equivalents

	<i>2016 £</i>
Cash at bank and in hand	<u>159,393</u>

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

12. Creditors: amounts falling due within one year

	2016 £
Trade creditors	540
Other creditors	238,617
Swap derivative	71,545
Accruals and deferred income	325,900
	<u>636,602</u>

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

	2016 £
Bank loan	8,112,419
Loans from group undertakings	3,346,322
	<u>11,458,741</u>

Secured loans

The bank loan is secured by a fixed charge and floating charges over the assets of the company. Interest is charged at LIBOR plus 2.65% on the initial draw-down amount. The loan is repayable in full on 27 April 2021.

The effective interest rate on the bank loan is calculated to be 3.37%.

Loans from group undertakings charge interest at 3.5% on tranche 1 of the loan and 12% on tranche 2 of the loan. Interest is paid semi-annually on the initial draw-down amount. The loan is repayable in full on 18 December 2025.

14. Loans

Analysis of the maturity of loans is given below:

	2016 £
Amounts falling due in 2-5 years	
Bank loan	<u>8,112,419</u>
Amounts falling due after more than 5 years	
Loans from group undertakings	<u>3,346,322</u>

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

15. Financial instruments

	2016 £
Financial assets	
Financial assets that are debt instruments measured at amortised cost, being other debtors and amounts due from group undertakings	734,127
Financial liabilities	
Financial liabilities measured at amortised cost, being trade creditors, accruals, other creditors and loans	11,718,007
Financial liabilities measured at fair value through the profit and loss, being swap derivatives	71,545
Total financial liabilities	<u>11,789,552</u>

Derivative financial instruments - Interest rate swaps

The company has entered into an interest swap to receive interest at LIBOR, and pay interest at a fixed rate of 0.7575%. The swap is based on the principal amount of the company's bank loan facilities of £8,216,400, and matures on 28 April 2021.

The instrument is used to hedge the company's exposure to interest rate movements on the bank loan facility. The hedging arrangement fixes the total interest payable on the bank loan to 3.4075%. The fair value of the interest swap at the date of the Statement of financial position is £71,545.

16. Contingent liability

The bank loans are secured by a composite guarantee between the companies, Hollyblue Healthcare (Carrick Glen) Limited and Hollyblue Healthcare (Stirling) Limited, to the value of £10,056,000.

17. Operating lease arrangements

The company as a lessor

As at 31 December 2016 the company had contracted with tenants for future minimum lease payments under non-cancellable operating leases of:

	2016 £
Not later than 1 year	1,326,324
Later than 1 year and not later than 5 years	5,305,296
Later than 5 years	<u>17,783,643</u>
	<u>24,415,263</u>

Hollyblue Healthcare (Gisburne Park) Limited

Notes to the financial statements For the period from 26 November 2015 to 31 December 2016

18. Called up share capital

2016
£

Allotted, called up and fully paid

3,424,677 Ordinary shares of £1 each

3,424,677

Upon incorporation on 26 November 2015 2 ordinary shares of £1 each were issued at par.

On 18 December 2015 3,521,094 ordinary shares of £1 each were issued at par.

On 29 September 2016 a resolution was passed to reduce the share capital by £96,419.

Interim dividends paid in the period amounted to £156,581. No further dividends were proposed for the period ended 31 December 2016.

19. 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.

20. Controlling party

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

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

21. Events after the reporting period

Since the period end, two further share capital reductions have taken place, reducing the issued share capital to £3,103,677.