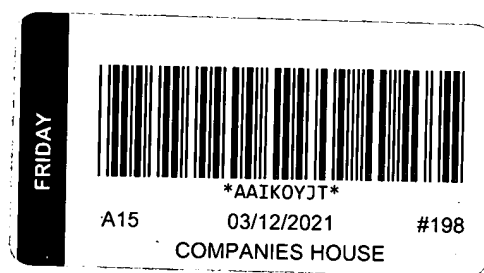


Registered number: 10387913

Hollyblue Healthcare (Finance) Limited

Directors' report and audited financial statements

For the year ended 31 December 2020



Hollyblue Healthcare (Finance) Limited

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Hollyblue Healthcare (Finance) Limited

Company information

Directors	M C Glowasky P A Smith J C Diaz-Sanchez
Registered number	10387913
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 (Finance) Limited

Directors' report For the year ended 31 December 2020

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

Principal activity

The company's principal activity throughout the period is that of a holding company for its subsidiaries.

Results

The profit for the year after taxation amounted to £2,441,832 (2019 : loss £901,824). Included in the profit for the year is a gain on disposal of a subsidiary of £2,572,210 (2019 : £Nil).

Going concern

The directors have considered the impact of COVID-19 on their business – see note 2.3.

Directors

The directors who served the company during the period 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 have 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 directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

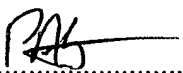
Independent auditor

The independent auditor, BDO LLP, indicated its willingness to continue in office. A resolution concerning its re-appointment will be put to the directors 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 415B of the Companies Act 2006.

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


.....
P A Smith
Director

Date: 25 November 2021

Hollyblue Healthcare (Finance) 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.

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 (Finance) Limited

Independent auditor's report to the members of Hollyblue Healthcare (Finance) 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 (Finance) 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.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 (Finance) Limited

Independent auditor's report to the members of Hollyblue Healthcare (Finance) Limited (continued) For the period 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.

Hollyblue Healthcare (Finance) Limited

Independent auditor's report to the members of Hollyblue Healthcare (Finance) Limited For the period 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, 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: 29 November 2021

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

Hollyblue Healthcare (Finance) Limited

Statement of comprehensive income For the year ended 31 December 2020

		2020	2019
	Note	£	£
Administrative expenses		(820,482)	(511,147)
Provision for related party debtors	5	(2,432,821)	-
Operating profit/(loss)	5	(3,253,303)	(511,147)
Income from fixed asset investments		4,186,076	-
Gain on disposal of subsidiary	9	2,572,210	-
Impairment of investment in subsidiaries	9	(646,050)	-
Interest payable and similar charges	7	(1,078,131)	(1,327,756)
Interest receivable	4	661,030	937,079
Profit/(loss) before taxation		2,441,832	(901,824)
Tax on profit/loss	8	-	-
Profit/(loss) for the year		2,441,832	(901,824)
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		2,441,832	(901,824)

The notes on pages 10 to 17 form part of these financial statements.

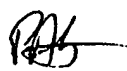
Hollyblue Healthcare (Finance) Limited

Statement of financial position
As at 31 December 2020
Registered number: 10387913

	Note	2020 £	2019 £
Fixed assets			
Investments	9	9,419,433	15,052,725
Loan to subsidiaries	12	8,054,561	10,646,817
		<u>17,473,994</u>	<u>25,699,542</u>
Current assets			
Debtors: amounts falling due within one year	10	5,180,305	24,112
Cash and cash equivalents	11	463,354	1,196,150
		<u>5,643,659</u>	<u>1,220,262</u>
Creditors: amounts falling due within one year	13	<u>(996,770)</u>	<u>(21,786,960)</u>
Net current asset/(liabilities)		4,646,889	(20,566,698)
Total assets less current liabilities		<u>22,120,883</u>	<u>5,132,844</u>
Creditors: amounts falling due after more than one year	14	<u>(15,398,970)</u>	-
Net assets		<u>6,721,913</u>	<u>5,132,844</u>
Capital and reserves			
Called up share capital	16	16	16
Share premium		8,735,578	9,181,578
Retained earnings		<u>(2,013,681)</u>	<u>(4,048,750)</u>
Total equity		<u>6,721,913</u>	<u>5,132,844</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: 28 November 2021

The notes on pages 10 to 17 form part of these financial statements.

Hollyblue Healthcare (Finance) Limited

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

	Called up share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 31 December 2018	16	11,383,578	(3,146,926)	8,236,668
Loss for the period	-	-	(901,824)	(901,824)
Share premium reduction	-	(2,202,000)	-	(2,202,000)
At 31 December 2019	16	9,181,578	(4,048,750)	5,132,844
Profit for the period	-	-	2,441,832	2,441,832
Share premium reduction	-	(446,000)	-	(446,000)
Dividends paid	-	-	(406,763)	(406,763)
At 31 December 2020	16	8,735,578	(2,013,681)	6,721,913

The notes on pages 10 to 17 form part of these financial statements.

Hollyblue Healthcare (Finance) Limited

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

1. General information

Hollyblue Healthcare (Finance) 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, 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 (note 3).

The company has taken advantage of the exemption from preparing consolidated financial statements as it qualifies as a small group under section 383 of the Companies Act 2006.

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

At the balance sheet date, the company had net assets of £6,721,913 (2019: £5,132,844), and net current assets of £4,646,889 (2019: Net current liabilities £20,566,698).

The directors consider the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment, the directors have taken into account the following:

- The capital structure and liquidity of the Company;
- A number of scenarios to the base case cash flow forecasts for the remainder of 2021 and 2022 which are described further below; and
- Specifically in relation to the potential impact of the COVID-19 pandemic on the Company, the directors have considered:
 - The current cash flow forecasts of both this entity and its subsidiaries following the lockdown measures / restrictions introduced by the government during 2020 and since that date; and
 - Market intelligence and government economic forecasts around the short to medium term economic impacts due to the COVID-19 pandemic on both the property sector and more specifically on the care home sector in which this entity and its subsidiaries continue to operate.

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) **For the year ended 31 December 2020**

2. Accounting policies (continued)

2.3. Going concern (continued)

The key scenario that the directors have modelled reflects cash inflows from subsidiary undertakings being £Nil for the next twelve months, which the directors consider to be unlikely, but has been used to demonstrate that the entity could still meet its obligations as they fall due in that event. Since the year end the entity has had a significant cash inflow from its continuing disposal programme and has sufficient resources, in the opinion of the directors, to meet its obligations even if no further inflow takes place.

Although COVID-19 developments are fluid, the stress testing done by the Company demonstrates financial resilience and flexibility. Based on this analysis and the modelling of the worst case scenario noted above, the directors have a reasonable expectation that the Company will continue to be able to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.4. Investments

Investments are carried at historic cost less accumulated impairment losses. Long term loans to subsidiaries are considered to be part of the cost of investment and accordingly are shown within fixed assets on the Statement of financial position. The investments are tested annually for impairment, and any impairment loss is 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 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. Creditors

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

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

2. Accounting policies (continued)

2.8. Financial instruments

Financial assets

Basic financial instruments, including trade and other debtors 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.

Other financial assets, 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.

Financial liabilities

Financial liabilities, including trade and other payables, and bank loans 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.

2.9. 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.

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

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

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

The directors have 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 investments in subsidiary undertakings and potential impairment of loans to subsidiary undertakings. These are considered for indications of impairment each year and if required an impairment review will be carried out and decision made on possible impairment.

Fixed asset investments are also considered for indications of impairment. If required an impairment review is carried out and a decision made on possible impairment. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the asset.

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

4. Interest receivable

Interest receivable comprises interest receivable from subsidiary undertakings for the period.

5. Operating loss

The operating loss is stated after charging:	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,200	3,625

The operating loss for the year includes an exceptional administrative expense of £2,432,821 (2019: £nil) being a provision against related party debtors, and a provision for other debtors of £277,750 (2019: £nil).

6. Employees

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

7. Interest payable and similar charges

	2020 £	2019 £
Bank loan interest payable	1,072,870	1,251,804
Interest receivable on swap derivatives	(8,136)	(15,711)
	1,064,734	1,236,093
Losses on derivative financial instruments measured at fair value through the Statement of comprehensive income	13,397	91,663
Total interest payable and similar charges	1,078,131	1,327,756

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

8. Tax on profit/loss

	2020 £	2019 £
Current tax		
Total current tax on profit/loss	-	-
Factors affecting tax charge for the period		
The tax assessed for the period is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The calculation is below:		
	2020 £	2019 £
Profit/(loss) before taxation	2,441,832	(901,824)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	463,948	(171,347)
Effects of:		
Income not taxable	(795,354)	-
Expenses not deductible	584,985	-
Effects of group relief (received)/surrendered	(253,579)	171,347
	-	-

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. Investments

	Investments in the share capital of subsidiary undertakings £
Cost	
At 1 January 2020	15,052,725
Additions	6,370
Disposal	(4,993,612)
Impairment of subsidiaries	(646,050)
At 31 December 2020	9,419,433

The directors assessed investments in subsidiary undertakings for impairment indicators and considered that certain investments to have been impaired as at 31 December 2020 (2019: £Nil).

During the year, the Company disposed of its investment in its subsidiary Hollyblue Healthcare (Ulster) Limited and recognised a realised gain of £2,572,210.

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

9. Investments (continued)

The company has investments in the share capital of the following subsidiary undertakings:

Name	Country of incorporation	Class of shares	Share holding	Principal activity	Address
Hollyblue Healthcare (Amore) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW
Hollyblue Healthcare (London) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW
Hollyblue Healthcare (Spring) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW
Hollyblue Healthcare (Arden) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW
Hollyblue Healthcare (Voyage Care) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW
Hollyblue Healthcare (AlphaCare) Limited	England	Ordinary	100%	Investment property company	2 Merchants Drive, Parkhouse, Carlisle, Cumbria, England, CA3 0JW

10. Debtors: amounts falling due within one year

	2020 £	2019 £
Swap derivative	-	13,397
Other debtors	-	1,945
Amounts due from related party	4,596,116	-
Amounts due from group undertakings	584,189	8,770
	<u>5,180,305</u>	<u>24,112</u>

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

During previous years the swap derivative was recorded at fair value and the movement in fair value in the year is shown within interest payable and similar charges (note 7).

During the year ended 31 December 2020 the Company advanced a short term loan to Hollyblue Cayman Holdings Ltd, a company under common control. As 31 December 2020, the outstanding loan amounted to £7,000,403. The directors assessed that £2,404,287 of this loan could not be recovered, and therefore a provision for the related party debt has been recognised. The outstanding loan recoverable is £4,596,116 and is included in debtors above.

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>463,354</u>	<u>1,196,150</u>

12. Loans to subsidiaries

All loans are to wholly owned subsidiary undertakings. The company has taken advantage of the exemption in paragraph 33.1A of FRS 102 from disclosing transactions with other wholly owned group companies.

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	160,365	14,502
Other Creditors	60,144	-
Amounts due to group undertakings	578,576	4,191,357
Accruals and deferred income	197,685	533,369
Bank loan	-	17,047,732
	<u>996,770</u>	<u>21,786,960</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

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

	2020 £	2019 £
Bank loan	<u>15,398,970</u>	<u>-</u>

During the year, the company repaid their bank loan in full and took out the new loan of £15,682,000 repayable in January 2025. The new bank loan is secured by a fixed and floating charge over the assets of the company and that of its subsidiaries. Interest is charged at 5.65% plus the Bank of England base rate and is payable quarterly. Effective interest rate on the loan is charged at 6.85%.

Repayments have been made since the year end as disclosed in note 19.

Hollyblue Healthcare (Finance) Limited

Notes to the financial statements (continued) For the year ended 31 December 2020

15. Loans

Analysis of the maturity of the bank loan is given below:

	2020 £	2019 £
Not later than one year	-	17,047,732
Later than 1 year not later than 5 years	15,398,970	-
	<u>15,398,970</u>	<u>17,047,732</u>

16. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
16 Ordinary shares of £1 each	<u>16</u>	<u>16</u>

Dividends of £406,763 were paid for the year ended 31 December 2020 (2019: £nil).

17. 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.

During the year ended 31 December 2020 the Company advanced a short term loan to Hollyblue Cayman Holdings Ltd, a company under common control. As 31 December 2020, the outstanding loan amounted to £7,000,403. The directors assessed that £2,404,287 of this loan could not be recovered, and therefore a provision for the related party debt has been recognised. The outstanding loan recoverable is £4,596,116 and is included in debtors (note 10).

Professional fees of £32,133 (2019: £4,512) were paid to a third party in respect of P A Smith, director of the company. Included within trade creditors is an amount due to the third party of £ Nil (2019: £1,812).

18. 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.

19. Events after the reporting period

Following the year end the company sold one of its subsidiaries, Hollyblue Healthcare (AlphaCare) Limited for a sale price of £4,000,000. Proceeds of £2,651,000 were used to pay down the company's bank loan.

In addition to the above, certain properties guaranteed against the bank loan were sold, and proceeds totalling £2,628,500 were used to pay down the company's bank loan.