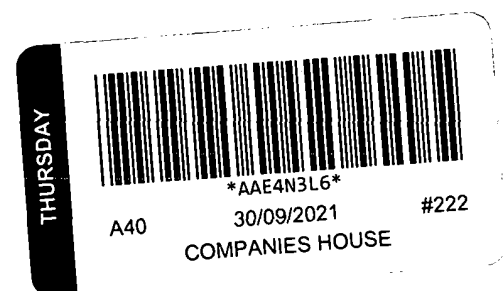


Registered number: 10531864

Hollyblue Healthcare (Red Hill) Limited

Directors' report and audited financial statements

For the year ended 31 December 2020



Hollyblue Healthcare (Red Hill) Limited

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Hollyblue Healthcare (Red Hill) Limited

Company information

Directors	M C Glowasky P A Smith J C Diaz-Sanchez
Registered number	10531864
Registered office	2 Merchants Drive Parkhouse Carlisle Cumbria England CA3 0JW
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX

Hollyblue Healthcare (Red Hill) Limited

Directors' report For the year ended to 31 December 2020

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

Principal activity

The principal activity of the company throughout the year ended 31 December 2020 was that of an investment property company operating in the care sector.

Results

The loss for the year after taxation amounted to £404,097 (2019: profit of £242,845). During the year ended 31 December 2020 the company did not pay any dividends (2019: none).

Going concern

The directors have prepared an assessment of the entity's ability and continue as a going concern and assessed the impact of COVID-19 on their business – see note 2.3.

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 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 has 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 414A and 414B of the Companies Act 2006.

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


P A Smith
Director

Date: 28th September 2021

Hollyblue Healthcare (Red Hill) 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 (Red Hill) Limited

Independent auditor's report to the members of Hollyblue Healthcare (Red Hill) 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 loss 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 (Red Hill) 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.

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 (Red Hill) Limited

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

Hollyblue Healthcare (Red Hill) Limited

Independent auditor's report to the members of Hollyblue Healthcare (Red Hill) 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 Regulation 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;
- agreeing the property values adopted within the financial statements to third party valuations prepared by the company's independent property advisors or other evidence of open market value where 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.

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: 28 September 2021

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

Hollyblue Healthcare (Red Hill) Limited

Statement of comprehensive income For the year ended 31 December 2020

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	£	£
Turnover	4	660,072	635,797
Cost of sales		(14,157)	(25,510)
Gross profit		645,915	610,287
Administrative expenses including realised and unrealised revaluation gain/(loss) on investment properties	5	32,824	(56,542)
Provision for group debtors	5	(929,913)	-
Operating (loss)/profit	5	(251,174)	553,745
Interest payable and similar charges	7	(134,979)	(256,638)
(Loss)/profit before taxation		(386,153)	297,107
Tax on profit	8	(17,944)	(54,262)
(Loss)/profit for the year		(404,097)	242,845
Other comprehensive income		-	-
Total comprehensive income for the year		(404,097)	242,845

The notes on pages 10 to 19 form part of these financial statements.

Hollyblue Healthcare (Red Hill) Limited

Statement of financial position
As at 31 December 2020
Registered Number: 10531864

	Note	2020 £	2019 £
Fixed assets			
Investment property	9	2,949,000	5,830,000
Current assets			
Debtors: amounts falling due within one year	10	33,486	282,276
Cash and cash equivalents	11	84,078	24,789
		<u>117,564</u>	<u>307,065</u>
Creditors: amounts falling due within one year	12	<u>(1,517,771)</u>	<u>(128,430)</u>
Net current assets		<u>(1,400,207)</u>	<u>178,635</u>
Total assets less current liabilities		<u>1,548,793</u>	<u>6,008,635</u>
Creditors: amounts falling due after more than one year	13	(1,119,748)	(4,506,103)
Provisions for liabilities			
Deferred tax	14	(119,486)	(96,876)
Net assets		<u>309,559</u>	<u>1,405,656</u>
Capital and reserves			
Called up share capital	18	243,280	935,280
Retained earnings		<u>66,279</u>	<u>470,376</u>
Total equity		<u>309,559</u>	<u>1,405,656</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 28th September 2021

The notes on pages 10 to 19 form part of these financial statements.

Hollyblue Healthcare (Red Hill) Limited

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

	Called up share capital £	Retained earnings £	Total equity £
At 31 December 2018	1,336,280	227,531	1,563,811
Profit for the year	-	242,845	242,845
Reduction of share capital	(401,000)	-	(401,000)
At 31 December 2019	935,280	470,376	1,405,656
Loss for the year	-	(404,097)	(404,097)
Reduction of share capital	(692,000)	-	(692,000)
At 31 December 2020	243,280	66,279	309,559

The notes on pages 10 to 19 form part of these financial statements.

Hollyblue Healthcare (Red Hill) Limited

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

1. General information

Hollyblue Healthcare (Red Hill) 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, England, 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 accounting policy

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 company has bank debt of £1.44m, which falls due for repayment in full in March 2022. Covenants on this debt were breached in the year under review and accordingly the debt has been reclassified to current liabilities within the financial statements. The directors expect that this debt will be repaid before its due date following a proposed transaction.

The entity's ultimate parent undertaking has provided a letter of support confirming it will provide sufficient funding to cover the company's bank debt and any other outgoings as they fall due for payment for a period of not less than 12 months from the date of the approval of the financial statements, should it be required. The entity also has other loans of £1.1m falling due for repayment in 2027.

Specifically in relation to the potential impact of the COVID-19 pandemic on the Company, the directors have considered:

- The capital structure and liquidity of the Company and its ultimate parent undertaking;
- The actual trading performance of both this entity and its tenant following lockdown measures introduced by the government;
- The likelihood and timing of any forthcoming sale of the entity's remaining investment property and likely value thereof; 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 its tenant operates.

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

2. Accounting policies (continued)

2.3 Going concern accounting policy(continued)

The directors are confident that the bank debt will be repaid by its due date and, given the letter of support of the ultimate parent entity, they therefore consider it appropriate to prepare the company's financial statements on the going concern basis.

The financial statements do not include any adjustments that would be necessary should the going concern basis of preparation no longer be appropriate.

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 Investment property

Investment property is carried at fair value determined annually on the basis of reports compiled by external valuers. These reports provide both a market value and range of values around this with a degree of 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, including where events occurring since the balance sheet date provide additional information about the condition of the asset at the balance sheet date including any offers that have been received for the assets. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 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.

2.7 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.

2.8 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 (Red Hill) Limited

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

2. Accounting policies (continued)

2.9 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.

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.

2.10 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.

2.11 Borrowing costs

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

2.12 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 (Red Hill) Limited

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

2. Accounting policies (continued)

2.13 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 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 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 the investment properties. Their fair value is determined annually by the directors based on information provided by quarterly valuations made by Cushman & Wakefield, the company's independent property advisers. The reports provide both a market value and range of values around this with a degree of sensitivity and are derived from the current market rents and investment property yields for comparable real estate. Consideration is also taken by the directors of the volatility of the market from quarter to quarter, including where events occurring since the balance sheet date provide additional information about the condition of the asset at the balance sheet date including any offers that have been received for the assets.

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.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Unrealised loss/(gain) on revaluation of investment property	136,000	(8,000)
Realised (gain) on disposal of investment property	(254,999)	-
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 include an exceptional administrative expense of £929,913 (2019: £nil) being a provision against group debtors.

Hollyblue Healthcare (Red Hill) 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 in the year (2019: three), who did not receive any direct remuneration from this company.

7. Interest payable and similar charges

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Bank loan interest payable	11,546	133,949
Interest payable on other loans	100,777	100,777
Interest payable on swap derivatives	12,293	5,307
Total interest expense on financial liabilities not measured at fair value through the Statement of comprehensive income	124,616	240,033
Losses on derivative financial instruments measured at fair value	10,363	16,605
Total interest payable and similar charges	134,979	256,638

8. Tax on profit

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Current tax		
Total current tax	3,649	54,930
Adjustment in respect of prior periods	(8,315)	(156)
	(4,666)	54,774
Deferred tax		
Origination and reversal of timing difference	22,610	(512)
Total tax on profit	17,944	54,262

Hollyblue Healthcare (Red Hill) Limited

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

8. Tax on profit (continued)

Factors affecting tax charge for the year

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

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Loss before taxation	(386,153)	297,107
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(73,369)	56,450
Effects of:		
Income not taxable	77,018	(1,520)
Adjustment in respect of prior periods	(8,315)	(156)
Origination and reversal of timing difference	22,610	(512)
	17,944	54,262

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.

In the prior year certain properties were stated at less than cost. The loss on revaluation of these properties of £nil (2019: £405,534) could give rise to a potential deferred tax asset of £nil (2019: £77,055) which could only be utilised when there were sufficient capital gains against which the loss could be offset.

9. Investment property

	Freehold investment property 2020 £
Valuation	
At 1 January	5,830,000
Disposals	(2,745,000)
Revaluation in year	(136,000)
At 31 December	2,949,000

The 2020 valuations are based on the market values from quarterly valuations prepared by Cushman & Wakefield, the company's independent property advisors, which are prepared on an open market value for existing use basis.

Hollyblue Healthcare (Red Hill) Limited

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

10. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts due from group undertakings	-	256,281
Other debtors	30,407	21,031
Prepayments and accrued income	3,079	4,964
	<u>33,486</u>	<u>282,276</u>

Amounts due from group undertakings are interest free and repayable on demand. Recovery of the amounts due from group undertakings is uncertain, therefore a provision against the group debt has been recognised (see note 5).

11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>84,078</u>	<u>24,789</u>

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,150	1,746
Other creditors	35,526	52,980
Corporation tax	-	27,537
Swap derivative	28,379	18,017
Accruals and deferred income	15,228	18,150
Bank loans	1,435,488	-
Amounts due to group undertakings	-	10,000
	<u>1,517,771</u>	<u>128,430</u>

The bank loans of £1,496,250 (2019: £1,950,000 and £1,320,000) are secured by a fixed charge and floating charges over the assets of the company. Interest is charged at LIBOR plus 2.65% and LIBOR plus 2.95% respectively on the initial draw-down amount. The loans are due for repayment on 31 March 2022, however on 6 January 2020, the loan of £1,950,000 was repaid in full. The effective interest rate on the bank loans is calculated to be and 3.80% respectively. There was a breach in bank covenants during the year and accordingly the debt has been reclassified to amounts falling due within one year.

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

Hollyblue Healthcare (Red Hill) Limited

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

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

	2020	2019
	£	£
Bank loans	-	3,386,355
Other loans	1,119,748	1,119,748
	<u>1,119,748</u>	<u>4,506,103</u>

Secured loans

Other loans charged interest at 9% on tranches 1 and 2 of the loan. Interest accrues monthly and is payable quarterly. The loans were repayable at the date of maturity. The loans are repayable in full on 31 March 2027 and 11 August 2027.

14. Deferred Tax

	2020
	£
At 1 January	96,876
Charged to the profit or loss	<u>22,610</u>
At 31 December	<u>119,486</u>

The deferred tax liability is made up as follows:

	2020	2019
	£	£
Unrealised property revaluation	<u>119,486</u>	<u>96,876</u>
	<u>119,486</u>	<u>96,876</u>

Hollyblue Healthcare (Red Hill) Limited

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

15. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due in less than one year		
Bank loans	<u>1,435,488</u>	<u>-</u>
Amounts falling due in 2 - 5 years		
Bank loans	<u>-</u>	<u>3,386,355</u>
Amounts falling due after more than 5 years		
Other loans	<u>1,119,748</u>	<u>1,119,748</u>

16. Contingent liability

The bank loans are secured by a composite guarantee between the following companies: Hollyblue Healthcare (St Georges) Limited and Hollyblue Healthcare (Norton Lees) Limited to the value of £1,470,000 (2019: £8,235,541) at the balance sheet date.

17. Operating lease arrangements

The company as a lessor

As at 31 December 2020, the company had contracted with tenants for future minimum lease payments under non-cancellable operating leases of:

	2020 £	2019 £
Not later than 1 year	259,008	634,102
Later than 1 year and not later than 5 years	1,036,032	2,529,476
Later than 5 years	<u>4,339,981</u>	<u>8,230,166</u>
	<u>5,635,021</u>	<u>11,393,744</u>

Since the year end there has been a lease variation and the tenant will pay rent dependent on the level of EBITDA going forward.

Hollyblue Healthcare (Red Hill) Limited

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

18. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
243,280 (2019: 935,280) Ordinary shares of £1 each	<u>243,280</u>	<u>935,280</u>

On 13 February 2020, 1 June 2020 and 18 August 2020, the directors passed a resolution to return 534,000, 119,000 and 39,000 Ordinary shares of £1 each respectively, reducing issued share capital to 243,280.

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.

At 31 December 2020 other loans included a principal amount of £1,119,748 (2019: £1,119,748) and accrued interest of £25,332 (2019: £25,401) was due to an entity under common control. During the year interest of £100,777 (2019: £100,777) was charged on the loans. The loans charged interest at 9% on tranches 1 and 2 of the loan. Interest accrues monthly and is payable quarterly. The loans are repayable at the date of maturity. The loans are repayable in full on 31 March 2027 and 11 August 2027.

During the year consultancy fees of £3,600 (2019: £nil) were paid to a third party in respect of PA Smith, director of the Company.

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.