

**Registered number: 11114431**



## **Hollyblue (Finance 2) Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2021**



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**Hollyblue (Finance 2) Limited**

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**Hollyblue (Finance 2) Limited**

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**Company information**

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<b>Directors</b>	M C Glowasky P A Smith J C Diaz-Sanchez
<b>Registered number</b>	11114431
<b>Registered office</b>	2 Merchants Drive Park House Carlisle Cumbria England CA3 0JW
<b>Accountant</b>	BDO LLP 2 Atlantic Square 31 York Street Glasgow G2 8NJ

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## **Hollyblue (Finance 2) Limited**

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### **Directors' report For the year ended 31 December 2021**

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The directors present their report and the financial statements of Hollyblue (Finance 2) Limited ("the company") for the year ended 31 December 2021.

#### **Principal activity**

The company's principal activity throughout the period was provision of finance.

#### **Results**

The profit for the year after taxation amounted to £1,375,426 (2020: Loss of £132,358).

#### **Going concern**

The directors have considered the going concern assessment and 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  
J C Diaz-Sanchez  
P A Smith

#### **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:

  
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**P A Smith**  
Director  
Date: 24 November 2022

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**Hollyblue (Finance 2) Limited**

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**Chartered Accountant's report to the Board of Directors on the preparation of the unaudited financial statements for Hollyblue (Finance 2) Limited for the year ended 31 December 2021**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Hollyblue (Finance 2) Limited for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

It is your duty to ensure that Hollyblue (Finance 2) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit/loss of Hollyblue (Finance 2) Limited. You consider that Butterfly (Finance) Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Hollyblue (Finance 2) Limited. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore express any opinion on the statutory financial statements.

**Use of our report**

This report is made solely to the board of directors of Hollyblue (Finance 2) Limited, as a body in accordance with the terms of engagement letter dated 21 May 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Hollyblue (Finance 2) Limited and state those matters that we have agreed to state to the board of directors of Hollyblue (Finance 2) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hollyblue (Finance 2) Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

BDO LLP

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24 November 2022

**BDO LLP**  
Chartered accountants  
Glasgow  
United Kingdom

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

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**Hollyblue (Finance 2) Limited**

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**Statement of comprehensive income  
For the year ended 31 December 2021**

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		<b>2021</b>	<b>2020</b>
	<i>Note</i>	<b>£</b>	<b>£</b>
Interest receivable and similar income	4	516,546	1,039,674
Interest payable and similar charges	7	(498,695)	(1,003,066)
<b>Net interest income</b>		<b>17,851</b>	<b>36,608</b>
Administrative expenses		(12,851)	(31,608)
Reversal of provision/(provision) for loan debtors	5	1,370,517	(136,408)
<b>Operating profit/(loss) and profit/(loss) before taxation</b>		<b>1,375,517</b>	<b>(131,408)</b>
Tax on profit/loss	8	(91)	(950)
<b>Profit/(loss) for the year</b>		<b>1,375,426</b>	<b>(132,358)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(expense) for the year</b>		<b>1,375,426</b>	<b>(132,358)</b>

The notes on pages 7 to 14 form part of these financial statements.

## Hollyblue (Finance 2) Limited

Statement of financial position  
As at 31 December 2021  
Registered number: 11114431

	Note	2021 £	2020 £
<b>Non-current assets</b>			
Other loans - debtors	9	-	7,879,000
<b>Current assets</b>			
Debtors	10	105,984	218,077
		105,984	218,077
<b>Creditors: amounts falling due within one year</b>	11	(88,922)	(441,799)
<b>Net current assets/(liabilities)</b>		17,062	(223,722)
<b>Total assets less current liabilities</b>		17,062	7,655,278
<b>Creditors: amounts falling due after more than one year</b>	12	-	(9,013,642)
<b>Net assets/(liabilities)</b>		17,062	(1,358,364)
<b>Capital and reserves</b>			
Called up share capital	14	2	2
Retained earnings		17,060	(1,358,366)
<b>Total equity</b>		17,062	(1,358,364)

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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: 24 November 2022

The notes on pages 7 to 14 form part of these financial statements.

## Hollyblue (Finance 2) Limited

### Statement of changes in equity For the year ended 31 December 2021

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2020	2	(1,226,008)	(1,226,006)
Loss for the year	-	(132,358)	(132,358)
At 31 December 2020	<u>2</u>	<u>(1,358,366)</u>	<u>(1,358,364)</u>
Loss for the year	-	1,375,426	1,375,426
At 31 December 2021	<u>2</u>	<u>17,060</u>	<u>17,062</u>

The notes on pages 7 to 14 form part of these financial statements.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**2. Accounting policies (continued)****1. General Information**

Hollyblue (Finance 2) 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.

The principal activity of Hollyblue (Finance 2) Limited is that of a provider of finance.

**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 ("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 and rounding to the nearest pound has been applied.

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.

**2.3. Going concern**

At the balance sheet date, the company had net assets of £17,062 (2020: liabilities of £1.36m). All listed debt instruments were repaid during the year. All debtor loans were also repaid in the year.

The directors have prepared financial projections for a period longer than twelve months from the dated of approval of these financial statements, which show that the entity can continue to meet its operational requirements and settle its liabilities as they fall due. Accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would arise should this not be the case.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**2. Accounting policies (continued)****2.4. 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.

**2.5. 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.

**2.6. Turnover**

Turnover is made up of interest receivable. Turnover is recognised as the interest accrues on an effective interest rate basis.

**2.7. 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 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

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**2. Accounting policies (continued)****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.

**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.

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## Hollyblue (Finance 2) Limited

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### Notes to the financial statements (continued) For the year ended 31 December 2021

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#### 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, with the exception of their assessment of the recoverability of debtors. 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.

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

#### 4. Interest receivable and similar income

Interest receivable comprises interest receivable from other loans for the period. Interest accrued at rates of between 3.5% and 12% per annum.

During the year all loans due to the company were repaid in full.

#### 5. Exceptional income/(expenditure)

Operating profit for the year includes exceptional income of £1,370,517, being the unwinding of a provision against loan debtors, as a result of the debts being repaid in full. In 2020 the operating loss for the year included an exceptional expense of £136,408, being a provision against loan debtors.

#### 6. Employees

The company has no employees. The company had three directors (2020: three) during the period, who did not receive any direct remuneration from this company.

#### 7. Interest payable and similar charges

	2021 £	2020 £
Interest payable on listed loan notes	498,695	1,003,066

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**Hollyblue (Finance) Limited**

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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**8. Tax on loss**

	2021 £	2020 £
<b>Current tax</b>		
Current tax	950	950
Adjustments in respect of previous years	(859)	-
<b>Total current tax on profit/(loss)</b>	<u>91</u>	<u>950</u>

**9. Non-current assets**

	2021 £	2020 £
Other loans - debtors	<u>-</u>	<u>7,879,000</u>

During the year all other loans were repaid in full.

**10. Debtors: amounts falling due within one year**

	2021 £	2020 £
Other debtors	-	218,075
Amounts due from parent undertaking	105,984	2
	<u>105,984</u>	<u>218,077</u>

Amounts due from parent undertaking are interest free and repayable on demand.

**11. Creditors: amounts falling due within one year**

	2021 £	2020 £
Accruals and deferred income	8,040	386,499
Amounts due to related parties	79,932	53,400
Corporation tax	950	1,900
	<u>88,922</u>	<u>441,799</u>

Amounts due to related parties are interest free and repayable on demand.

## Hollyblue (Finance 2) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

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

	2021 £	2020 £
Listed debt instruments	-	9,013,642

The listed debt instruments were made up of unsecured redeemable loan notes 2024, listed on the Cayman Island Stock Exchange. The loan notes were redeemable on 31 March 2024. During the year interest was charged at 10.44% and the loans were repaid in full on 6 July 2021. The listed loan notes were limited to a nominal amount of £20,000,000 and interest may be repaid in the form of an unlimited amount of listed Payment-in-Kind ("PIK") notes 2024.

#### 13. Listed debt instruments

Analysis of the maturity of the listed debt instruments is given below:

	2021 £	2020 £
Amounts falling due between 2 and 5 years		
Loan notes	-	9,013,642

#### 14. Called up share capital

	2021 £	2020 £
Allotted and called up		
2 (2020: 2) Ordinary shares of £1 each	2	2

#### 15. 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 period ended 31 December 2020 a number of companies with directors in common underwent loan refinancing and their loans were novated to this company. These loans were all repaid during 2021. At the period end the principal amount, accrued interest due to this entity and interest charged on the loans gross of any provisions made against these debts is set out in the table overpage.

## Hollyblue (Finance 2) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 15. Related party transactions (continued)

##### Year ended 31 December 2021

	Principal	Accrued interest owed	Provisions against debt	Interest charged
	£	£	£	£
Hollyblue Healthcare (St. Georges) Limited	-	-	-	22,762
Hollyblue Healthcare (Carrick Glen) Limited	-	-	-	69,236
Hollyblue Healthcare (Gisburne Park) Limited	-	-	-	186,817
Hollyblue Healthcare (Stirling) Limited	-	-	-	94,771
Hollyblue Healthcare (Millbrow) Limited	-	-	-	44,334
Hollyblue Healthcare (Countrywide) Limited	-	-	-	-
Hollyblue Healthcare (Red Hill) Limited	-	-	-	51,631
Hollyblue Healthcare (Norton Lees) Limited	-	-	-	46,995

During the year, all related party loans were repaid in full, and any provisions against the debts were unwound.

##### Year ended 31 December 2020

	Principal	Accrued interest owed	Provisions against debt	Interest charged
	£	£	£	£
Hollyblue Healthcare (St. Georges) Limited	370,239	100,421	(470,660)	44,429
Hollyblue Healthcare (Carrick Glen) Limited	1,126,189	33,971	-	135,142
Hollyblue Healthcare (Gisburne Park) Limited	3,382,873	91,661	-	364,645
Hollyblue Healthcare (Stirling) Limited	1,541,474	46,495	-	184,977
Hollyblue Healthcare (Millbrow) Limited	708,716	20,616	-	85,046
Hollyblue Healthcare (Countrywide) Limited	-	-	-	32,679
Hollyblue Healthcare (Red Hill) Limited	1,119,748	25,332	-	100,777
Hollyblue Healthcare (Norton Lees) Limited	764,401	135,456	(899,857)	91,979

Principal amounts were included in other loans (non-current assets) and accrued interest is included in other debtors, falling due within one year.

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<b>Hollyblue (Finance 2) Limited</b>
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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**16. Controlling party**

The immediate parent undertaking of the company is Cocoon Cayman Holdings II Ltd, a company registered in the Cayman Islands.

The ultimate controlling party of the company is Monarch Capital Master Partners III LP, a limited partnership registered in the Cayman Islands.