

Registered number: 09729778

Hollyblue Healthcare (Ulster) Limited

Director's report and audited financial statements

For the period from 12 August 2015 (date of incorporation) to 31 December 2016



Hollyblue Healthcare (Ulster) Limited

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Hollyblue Healthcare (Ulster) Limited

Company information

Director	M C Glowasky
Registered number	09729778
Registered office	11th Floor Two Snowhill Birmingham West Midlands B4 6WR
Independent auditors	PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH

Hollyblue Healthcare (Ulster) Limited

Director's report
For the period ended 31 December 2016

The director presents his report and the audited financial statements of Hollyblue Healthcare (Ulster) Limited ("the company") for the period from 12 August 2015 (date of incorporation) to 31 December 2016.

Principal activity

The company was incorporated on 12 August 2015.

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

Results

The profit for the financial period, after taxation, amounted to £1,397,139.

Directors

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

M C Glowasky (appointed 13 August 2015)

T Plimmer (appointed 12 August 2015, resigned 13 August 2015)

Disclosure of information to auditors

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

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

Hollyblue Healthcare (Ulster) Limited

**Director's report
For the period ended 31 December 2016**

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, were appointed during the period and have indicated their willingness to continue in office. A resolution concerning their re-appointment will be put to the director at the board meeting approving these financial statements.

Small companies note

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

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



.....
M C Glowasky
Director

Date: 12 May 2017

Hollyblue Healthcare (Ulster) Limited

**Director's responsibilities statement
For the period ended 31 December 2016**

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

Company law requires the directors to prepare financial statements for each financial 17 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hollyblue Healthcare (Ulster) Limited

Independent auditors' report to the members of Hollyblue Healthcare (Ulster) Limited

Report on the financial statements

Our opinion

In our opinion, Hollyblue Healthcare (Ulster) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the 17 month period (the "period") then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Directors' report and audited financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the period then ended;
- the Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Hollyblue Healthcare (Ulster) Limited

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Katherine Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
12 May 2017

Hollyblue Healthcare (Ulster) Limited

Statement of comprehensive income
For the period from 12 August 2015 to 31 December 2016

	<i>Note</i>	<i>Period from 12 August 2015 to 31 December 2016</i>
		<i>£</i>
Turnover	4	2,510,979
Cost of sales		(62,744)
Gross profit		2,448,235
Administrative expenses		(165,794)
Operating profit	5	2,282,441
Interest payable and similar charges	7	(631,831)
Profit before taxation		1,650,610
Tax on profit	8	(253,471)
Profit for the financial period		1,397,139
Other comprehensive income		-
Total comprehensive income for the period		1,397,139

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

Hollyblue Healthcare (Ulster) Limited

Statement of financial position
As at 31 December 2016
Registered Number: 09729778

	Note	£	2016 £
Fixed assets			
Investment property	9		10,720,000
			<u>10,720,000</u>
Current assets			
Debtors: amounts falling due within one year	10	23,978	
Cash and cash equivalents	11	1,040,380	
		<u>1,064,358</u>	
Creditors: amounts falling due within one year	12	<u>(217,768)</u>	
Net current assets			846,590
Total assets less current liabilities			<u>11,566,590</u>
Creditors: amounts falling due after more than one year	13		(6,376,743)
Net assets			<u>5,189,847</u>
Capital and reserves			
Called up share capital	18		4,591,708
Retained earnings			<u>598,139</u>
Total equity			<u>5,189,847</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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


.....
M C Glowasky
Director

Date: 12 May 2017

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

Hollyblue Healthcare (Ulster) Limited

Statement of changes in equity For the period from 12 August 2015 to 31 December 2016

	<i>Called up share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£	£	£
At 12 August 2015	-	-	-
Profit for financial the period	-	1,397,139	1,397,139
Shares issued during the period	4,591,708	-	4,591,708
Dividends	-	(799,000)	(799,000)
At 31 December 2016	4,591,708	598,139	5,189,847

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

Notes to the financial statements
For the period from 12 August 2015 to 31 December 2016

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings measured at fair value through the profit and loss, and in accordance with Financial Reporting Standard 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 (see note 3).

The presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

2.3 Turnover

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

2.4 Investment property

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

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements For the period from 12 August 2015 to 31 December 2016

2. Accounting policies (continued)

2.6 Cash and cash equivalents

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

2.7 Financial instruments

Financial assets

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

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

Financial liabilities

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

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

2.8 Creditors

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

Notes to the financial statements
For the period from 12 August 2015 to 31 December 2016

2. Accounting policies (continued)**2.9 Taxation**

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

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

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

2.10 Operating leases

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

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

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

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

The director is not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

4. Turnover

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

All turnover arose within the United Kingdom.

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements
For the period from 12 August 2015 to 31 December 2016

5. Operating profit

	<i>Period from 12 August 2015 to 31 December 2016</i>
The operating profit is stated after charging:	£
Loss on revaluation of investment property	94,551
Fees payable to the company's auditors for the audit of the company's annual financial statements	3,708
	<hr/> <hr/>

6. Employees

The company has no employees other than the director, who did not receive any remuneration.

7. Interest payable and similar charges

	<i>Period from 12 August 2015 to 31 December 2016</i>
Interest payable on loans from group undertakings	£ 631,831
Total interest payable and similar charges	<hr/> <hr/> 631,831

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements For the period from 12 August 2015 to 31 December 2016

8. Tax on profit

	<i>Period from 12 August 2015 to 31 December 2016</i>
	£
Current tax	
Total current tax	271,672
Deferred tax	
Origination and reversal of timing differences	(18,910)
Effect of changes in tax rates	709
Total deferred tax	(18,201)
Tax on profit	<u>253,471</u>

Factors affecting tax charge for the period

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

	<i>Period from 12 August 2015 to 31 December 2016</i>
	£
Profit before taxation	<u>1,650,610</u>
Profit multiplied by standard rate of corporation tax in the UK of 20%	330,122
Effects of:	
Expenses not deductible for tax purposes	19,150
Effects of group relief	(77,600)
Tax rate changes	709
Revaluations	(18,910)
	<u>253,471</u>

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

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements For the period from 12 August 2015 to 31 December 2016

9. Investment property

	<i>Freehold investment property</i> £
Valuation	
Additions at cost	10,814,551
Revaluation	(94,551)
At 31 December 2016	<u><u>10,720,000</u></u>

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

	<i>2016</i> £
Historic cost	10,314,514
Capitalised purchase costs	500,037
	<u><u>10,814,551</u></u>

10. Debtors: amounts falling due within one year

	<i>2016</i> £
Amounts owed from group undertakings	848
Prepayments	4,929
Deferred tax asset (note 15)	18,201
	<u><u>23,978</u></u>

11. Cash and cash equivalents

	<i>2016</i> £
Cash at bank and in hand	1,040,380
	<u><u>1,040,380</u></u>

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements
For the period from 12 August 2015 to 31 December 2016

12. Creditors: amounts falling due within one year

	2016 £
Other creditors	104,154
Trade creditors	18,174
Corporation tax	77,619
Accruals and deferred income	17,821
	<u>217,768</u>

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

	2016 £
Loans from group undertakings	<u>6,376,743</u>
	<u>6,376,743</u>

Loans from group undertakings comprise of two loans. The first loan charges interest at a rate of 9.0% per annum. The second loan charges interest at LIBOR plus 6.5%. Interest is payable semi-annually on the initial draw-down amount. The loans are repayable in full on 30 September 2026.

A bank loan taken out by the company's immediate parent is secured in part by a fixed and floating charge over the assets of the company.

14. Loans

Analysis of the maturity of loans is given below:

	2016 £
Amounts falling due after more than 5 years	
Loans from group undertakings	<u>6,376,743</u>
	<u>6,376,743</u>

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements For the period from 12 August 2015 to 31 December 2016

15. Deferred tax

	£
At 12 August 2015	-
Credit to the profit or loss	18,201
At 31 December 2016	18,201

The deferred tax asset is made up as follows:

	2016 £
Unrealised property revaluation	18,910
Impact of change in tax rates	(709)
	18,201

16. Financial instruments

	2016 £
Financial assets	
Financial assets that are debt instruments measured at amortised cost, being amounts due from group undertakings and cash at bank and in hand	1,041,228
Financial liabilities	
Financial liabilities measured at amortised cost, being trade creditors, accruals, other creditors and loans	6,510,579

17. Operating lease arrangements

The company as a lessor

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

	2016 £
Not later than 1 year	1,858,879
Later than 1 year and not later than 5 years	5,002,970
	6,861,849

Hollyblue Healthcare (Ulster) Limited

Notes to the financial statements
For the period from 12 August 2015 to 31 December 2016

18. Called up share capital

	2016 £
Allotted, called up and fully paid	
4,591,708 Ordinary shares of £1 each	<u>4,591,708</u>

Upon incorporation on 12 August 2015, 2 ordinary shares of £1 each were issued at par.
On 24 August 2015, 4,591,706 ordinary shares of £1 each were issued at par.

Interim dividends paid in the period amounted to £799,000. No further dividends were proposed for the period ended 31 December 2016.

19. Related party transactions

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

20. Controlling party

The immediate parent undertaking of the company is Hollyblue Healthcare (Finance) Limited, a company registered in England and Wales.

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