

Butterfly Group Healthcare Limited

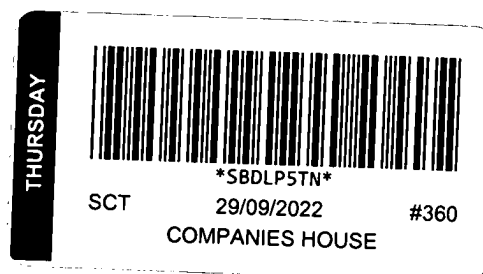
Directors' Report and Unaudited

Financial Statements

Year Ended

31 December 2021

Company Number 09256096



Butterfly Group Healthcare Limited

Company Information

Directors Matthew Cardwell Glowasky
Philip Antony Smith

Registered number 09256096

Registered office 2 Merchants Drive
Parkhouse
Carlisle
England
CA3 0JW

Accountants BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Butterfly Group Healthcare Limited

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Butterfly Group Healthcare Limited

Directors' Report For the Year Ended 31 December 2021

The directors present their report together with the unaudited financial statements for the year ended 31 December 2021.

Directors

The directors who served during the year were:

Matthew Cardwell Glowasky
Philip Antony Smith

Going concern

During 2019 and 2020, the group completed its disposal programme and the company's two subsidiaries disposed of all homes. Accordingly these financial statements are not prepared on a going concern basis as the parent company and its group are not expected to trade in the foreseeable future, albeit that the directors are currently exploring various strategies for the groups future.

The directors consider that the COVID-19 pandemic will not have a significant impact on the entity for the foreseeable future.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 September 2022 and signed on its behalf.



Philip Antony Smith
Director

Butterfly Group Healthcare Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Butterfly Group Healthcare Limited for the year ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Butterfly Group Healthcare Limited for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, 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 firm 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 <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Butterfly Group Healthcare 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 of Butterfly Group Healthcare Limited. You consider that Butterfly Group Healthcare Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Butterfly Group Healthcare Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to 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 Butterfly Group Healthcare Limited, as a body, in accordance with the terms of our engagement letter dated 21 May 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Butterfly Group Healthcare Limited and state those matters that we have agreed to state to the board of directors of Butterfly Group Healthcare 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 Butterfly Group Healthcare Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

BDO LLP

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BDO LLP

Chartered Accountants

Glasgow

United Kingdom

22 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC30512).

Butterfly Group Healthcare Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Administrative expenses		10	(44)
Other operating income		1	-
Operating profit/(loss)		11	(44)
Tax on profit/(loss)	5	-	-
Profit/(loss) for the financial year		11	(44)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		11	(44)

The notes on pages 6 to 10 form part of these financial statements.

Butterfly Group Healthcare Limited
Registered number: 09256096

Balance Sheet
As at 31 December 2021

		2021 £000	(As restated - note 12) 2020 £000
	Note		
Fixed assets			
Investments	6	2	2
Current assets			
Cash at bank and in hand		235	160
Creditors: amounts falling due within one year	7	(88)	(24)
Net current assets		<u>147</u>	<u>136</u>
Total assets less current liabilities		<u>149</u>	<u>138</u>
Net assets		<u><u>149</u></u>	<u><u>138</u></u>
Capital and reserves			
Called up share capital	8	613	613
Profit and loss account	9	(464)	(475)
Total equity		<u><u>149</u></u>	<u><u>138</u></u>

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 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 FRS 102 Section 1A - small entities.

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

21 September 2022



Philip Antony Smith
Director

The notes on pages 6 to 10 form part of these financial statements.

Butterfly Group Healthcare Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021 (as restated)	613	(475)	138
Comprehensive profit for the year			
Profit for the year	-	11	11
Total comprehensive profit for the year	-	11	11
At 31 December 2021	613	(464)	149

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	613	(28,219)	(27,606)
Comprehensive loss for the year			
Loss for the year	-	(44)	(44)
Total comprehensive loss for the year as previously stated	-	(44)	(44)
Prior year restatement:			
Group debts forgiven in group restructure (note 12)	-	27,788	27,788
At 31 December 2020 (as restated)	613	(475)	138

The notes on pages 6 to 10 form part of these financial statements.

Butterfly Group Healthcare Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Butterfly Group Healthcare Limited is a private company, limited by shares and is incorporated and domiciled in England and Wales. The address of the company's registered office is 2 Merchants Drive, Parkhouse, Carlisle, England, CA3 0JW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 of the financial statements is pound sterling, rounded to the nearest thousand.

The financial statements have been prepared on the basis of merger accounting whereby the entities acquired by Monarch Master Funding 2 (Luxembourg) S.a.r.l. in November 2014 were deemed to have been acquired by Butterfly Group Healthcare Limited at this date. As such, any difference arising on consolidation is classified as a 'Merger Reserve', in accordance with FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

During 2019 and 2020, the group completed its disposal programme and the company's two subsidiaries disposed of all homes. Accordingly these financial statements are not prepared on a going concern basis as the parent company and its group are not expected to trade in the foreseeable future, albeit that the directors are currently exploring various strategies for the groups future.

The directors consider that the COVID-19 pandemic will not have a significant impact on the entity for the foreseeable future.

2.3 Valuation of investments

Investments are recognised at cost less any provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.4 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Butterfly Group Healthcare Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Creditors

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

2.6 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Butterfly Group Healthcare Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, there are no critical judgements taken in applying the company's accounting policies.

4. Employees

The company has no employees other than the directors, who did not receive any remuneration, other than as disclosed in note 11 (2020 - £Nil).

5. Taxation

	2021 £000	2020 £000
Total current tax	-	-
Taxation on profit/(loss) on ordinary activities	-	-

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	2
At 31 December 2021	2
Net book value	
At 31 December 2021	2
At 31 December 2020	2

At 31 December 2021, the company directly and indirectly held the equity of the following subsidiary undertakings.

Butterfly Group Healthcare Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Crossco (1333) Limited **	2 Merchants Drive, Carlisle	Ordinary	100%
Crossco (1334) Limited ** (in liquidation)	2 Merchants Drive, Carlisle	Ordinary	100%
Mariposa Care Limited ***	2 Merchants Drive, Carlisle	Ordinary	100%
Papillon Care Limited ***	2 Merchants Drive, Carlisle	Ordinary	100%
Sovereign Care Homes Limited * (in liquidation)	2 Merchants Drive, Carlisle	Ordinary	100%

* This subsidiary is dormant.

** These subsidiaries are holding companies.

*** These subsidiaries were providers of care and nursing services until their properties were disposed of.

7. Creditors: amounts falling due within one year

	(As restated - note 12)	
	2021 £000	2020 £000
Amounts owed to group undertakings	64	-
Accruals and deferred income	24	24
	<u>88</u>	<u>24</u>

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

8. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
61,251,500 ordinary shares of £0.01 each	<u>613</u>	<u>613</u>

Butterfly Group Healthcare Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

9. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, including realised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

10. Related party transactions

In accordance with Section 33 para 33.1A of FRS 102, the company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

During the year, the company paid Philip Smith, director, consultancy fees through a third party consultancy company of £5,436 (2020 - £27,039).

11. Controlling party

The company's immediate parent undertaking is Monarch Property Holdings I S.a.r.l. and its ultimate parent undertaking and controlling party is Monarch Master Funding Limited, a limited liability partnership incorporated in Luxembourg. The directors are of the opinion that there is no single ultimate controlling party of Monarch Master Funding Limited.

12. Prior period adjustment

As part of a group reorganisation which took place during 2020, certain group creditors were forgiven totalling £27.788m. The forgiveness of these balances was omitted in the 2020 financial statements in a fundamental accounting error. A prior period adjustment has been incorporated, which reduces group creditors in 2020 by £27.788m and increases the reported 2020 profit and loss reserve by the same amount (as shown on page 5). There was no impact on the result for the year.