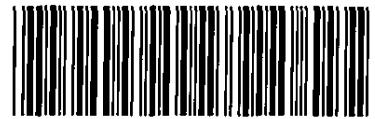


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Company Registration No FC030452

**Libra Intermediate Holdco Limited**  
**Annual Report and Financial Statements**  
**For the year ended 30 September 2016**

WEDNESDAY



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**LIBRA INTERMEDIATE HOLDCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2016**

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**LIBRA INTERMEDIATE HOLDCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2016**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Dr C Patel  
Mr D Smith

**COMPANY SECRETARY**

Crestbridge Corporate Services Limited

**REGISTERED OFFICE**

47 Esplanade  
St Helier  
Jersey  
Channel Islands  
JE1 0BD

**SOLICITORS**

Skadden Arps Slate Meagher & Flom (UK) LLP  
Canary Wharf  
London E14 5DS

Gowling WLG (UK) LLP  
4 More London Riverside  
London SE1 2AU

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle Upon Tyne  
United Kingdom

## LIBRA INTERMEDIATE HOLDCO LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT

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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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 (Jersey) Law 1991. They 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBRA INTERMEDIATE HOLDCO LIMITED**

We have audited the financial statements of Libra Intermediate Holdco Limited for the year ended 30 September 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

### **Respective responsibilities of Directors and auditor**

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. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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. 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.

### **Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 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 properly prepared in accordance with the Companies (Jersey) Law 1991

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LIBRA INTERMEDIATE HOLDCO LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit



Dave Johnson FCA  
for and on behalf of Deloitte LLP  
Chartered Accountants  
Newcastle upon Tyne, UK  
Date 25 January 2017

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For the year ended 30 September 2016

	Notes	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Administrative expenses			
- on-going		(2,850)	(2,850)
- exceptional	3	-	(710,382)
Total administrative expenses		(2,850)	(713,232)
<b>OPERATING LOSS</b>		<b>(2,850)</b>	<b>(713,232)</b>
Interest payable and similar charges	4	(4,826,417)	(3,207,555)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<b>(4,829,267)</b>	<b>(3,920,787)</b>
Tax on loss on ordinary activities	6	875,897	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(3,953,370)</b>	<b>(3,920,787)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<b>(3,953,370)</b>	<b>(3,920,787)</b>

All results are derived from continuing operations

There is no comprehensive income in the current year or the preceding year other than as stated above. Accordingly no statement of comprehensive income is presented

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**BALANCE SHEET**  
At 30 September 2016

	Notes	At 30 September 2016		At 30 September 2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	7		101 377 449		101 377 449
<b>CURRENT ASSETS</b>					
Debtors	8	877 772		1 875	
		<u>877 772</u>		<u>1,875</u>	
<b>CREDITORS amounts falling due within one year</b>	9	(10 902 043)		(9,607,917)	
		<u>(10 902 043)</u>		<u>(9,607,917)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(10 024 271)</u>		<u>(9 606 042)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			91 353 178		91 771 407
<b>CREDITORS amounts falling due after more than one year</b>	10		(105 647 255)		(102 112 114)
			<u>(105 647 255)</u>		<u>(102 112 114)</u>
<b>NET LIABILITIES</b>			<u>(14 294 077)</u>		<u>(10 340 707)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	11		10		10
Profit and loss account	11		(14 294 087)		(10,340 717)
			<u>(14 294 087)</u>		<u>(10,340 717)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(14 294 077)</u>		<u>(10 340 707)</u>

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

These financial statements of Libra Intermediate Holdco Limited (registered number FC030452) were approved by the Board of Directors and authorised for issue on 24 January 2017. They were signed on its behalf by



Mr D Smith  
Director



LIBRA INTERMEDIATE HOLDCO LIMITED

STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 September 2016

	Called-up share capital £	Profit and loss account £	Total £
At 1 October 2014	10	(6 419 930)	(6 419 920)
Loss for the financial year	-	(3 920 787)	(3 920 787)
At 30 September 2015	10	(10 340 717)	(10 340,707)
Loss for the financial year	-	(3 953 370)	(3 953 370)
At 30 September 2016	10	(14,294 087)	(14,294,077)

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 September 2016**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

**General information and basis of accounting**

Libra Intermediate Holdco Limited (the Company) is a company incorporated in Jersey under the Company Law in Jersey. The address of the registered office is given on page 1. The principal activity of the Company is the holding company of HC-One Limited, a company specialised in the management and running of care homes principally for the elderly's operations in the UK.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) as issued by Financial Reporting Council.

The prior year financial statements did not require a restatement for material adjustments on adoption of FRS 102 in the current year. For more information, see note 17.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objection has been received. The Company is consolidated in the financial statements of its parent undertaking, FC Skyfall Upper Midco Limited, which can be obtained from the Companies House at Crown Way, Cardiff, Wales, CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

**Going concern**

The Directors have reviewed the going concern of the Company and the Group carefully in the preparation of the consolidated financial statements.

Management have prepared detailed forecast for the Group for the period to 30 September 2018. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes.

The Group maintains sufficient cash resources to meet its day-to-day working capital requirements.

The Directors believe that the Group and the Company are well placed to manage its risk appropriately.

The Directors have received written confirmations from its group undertakings that they do not intend to recall any debts due on demand for a period of at least 12 months from the date of approval of the financial statements for the period ended 30 September 2016. The Company's group undertakings have sufficient recourse to continue to support the Company.

After making enquiries and based on the Group's forecasts and projections, taking into account of reasonably possible changes in trading performance, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2016**

**1 ACCOUNTING POLICIES (continued)**

**Taxation**

Current tax including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates except where the Company is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects at the end of the reporting year to recover or settle the carrying amount of its assets and liabilities

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes the resulting current or deferred tax expense and income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise that assets and settle the liability simultaneously

Deferred tax assets and liabilities are offset only if (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

**Investment**

Fixed asset investments are stated at cost less provision for impairment

**Interest**

Interest payable is recognised in the financial statements on an accruals basis

**Financial instrument**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument

All financial assets and liabilities are initially measured at transaction price (including transaction costs) except for those financial assets classified as at fair value through profit and loss which are initially measured at fair value (which is normally the transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2016**

**1. ACCOUNTING POLICIES (continued)**

**Financial instrument (Continued)**

Financial assets and liabilities are only offset in the statement of financial position when and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset or c) the Company despite having retained some but not all significant risks and rewards of ownership has transferred control of the asset to another party

Financial liabilities are derecognised only when the obligation specified in the contract is discharged cancelled or expires

**2. CRITICAL ACCOUNTING JUDGEMENTS**

In the application of the Group's accounting policies which are described in note 1, the Directors are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources There are no critical accounting judgments in the preparation of the financial statements

**Key sources of estimation uncertainty**

There are no key sources of estimation uncertainty applied in the preparation of financial statements

**3. ADMINISTRATIVE EXPENSES - EXCEPTIONAL**

The following exceptional costs have been incurred or provided for and included in the administrative expenses

	Year ended 30 September 2016	Year ended 30 September 2015
	£	£
Restructuring costs and expenses	-	710 382

Restructuring costs and expenses of £710 382 have been incurred in the preceding year in respect of the disposal of the property portfolio of the Group and the shares in NHP Holdco 1 Limited completed on 11 November 2014

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 30 September 2016	Year ended 30 September 2015
	£	£
Interest payable to group undertakings	(4 826 417)	(3 207 555)

**5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The Company had no employees during the current year or the preceding year

The Directors' emoluments have been borne by IIC-One Limited a group undertaking during the current and the preceding year

No audit fees have been charged to the profit and loss account Audit fees of £2 000 have been borne by NHP Management Limited in the current year and the preceding year The Company did not incur any non-audit fees during the current and preceding year

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2016**

**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1 030 467)	-
Effect of changes in tax rates	154 570	-
	(875 897)	-
<b>Total deferred tax</b>	(875 897)	-
Loss before tax	(4 829 267)	(3 920 787)
	(965 853)	(803 708)
Tax on loss at standard rate of 20.0% (2015: 20.5%)		
Factors affecting charge		
Movement in deferred tax not recognised	(144 986)	658 089
Expenses not deductible for tax purposes	(1)	145 619
Group relief surrendered for £nil consideration	80,373	-
Tax rate changes	154 570	-
	(875 897)	-
<b>Total tax charge for the year</b>	(875 897)	-

The standard rate of tax applied to reported profit on ordinary activities is 20.0% (2015: 20.5%)

Finance Act No 2 2015 included provisions to reduce the corporate tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2016.

There is no expiry date on timing differences, unused tax losses or tax credits.

**7 INVESTMENTS**

**Investment in subsidiary undertaking**

	£
Cost and net book value	
At 30 September 2015 and at 30 September 2016	101,377,449

On 28 October 2013 Libra Intermediate Holdco Limited invested in the entire issued share capital of HC-One Limited, a company incorporated in England and Wales. On 29 January 2015 the Company made a contribution to HC-One for £96,377,449. The principal activity of HC-One Limited is a care home operator.

**8 DEBTORS**

	2016 £	2015 £
Amount due within one year		
Prepayments	1 875	1 875
Deferred tax assets (see note 12)	875 897	-
	877 772	1,875

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2016**

**9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Loan interest due to group undertakings	4 477 142	3 189,054
Other amount due to group undertakings	6 424 901	6 418,863
	10 902 043	9 607 917

Amounts due to group undertakings are due on demand bearing no interest

**10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Loan notes due to group undertakings	(105 647 255)	(102,112 114)
	(105 647 255)	(102,112 114)

At 30 September 2016 total loan of £21 938 275 (2015 £21 204 810) was issued to Care Homes No 1 Limited a group undertaking to enable the Company to make capital contribution to HC-One Limited a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. Interest capitalised during the year ended 30 September 2016 was £733 465 (2015 £49 231).

At 30 September 2016 total loan of £42 257,713 (2015 £40 840 623) was issued to Care Homes No 2 (Cayman) Limited a group undertaking to enable the Company to make capital contribution to HC-One Limited a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. Interest capitalised during the year ended 30 September 2016 was £1 417 090 (2015 £111 182).

At 30 September 2016 total loan of £41 166 697 (2015 £39 791 457) was issued to Care Homes No 3 Limited a group undertaking to enable the Company to make capital contribution to HC-One Limited a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. Interest capitalised during the year ended 30 September 2016 was £1 375 240 (2015 £88 210).

At 30 September 2016 total loan of £284 570 (2015 £275 224) was issued to NHP Operations (York) Limited a group undertaking to enable the Company to make capital contribution to HC-One Limited a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. Interest capitalised during the year ended 30 September 2016 was £9 346 (2015 £nil).

**11 CAPITAL AND RESERVES**

	2016	2015
	£	£
Called-up, allotted and fully paid		
10 Ordinary shares of £1 each	10	10
	10	10

The profit and loss account represents cumulative profits or losses net of other adjustments

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2016**

**12 PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred taxation	2016	2015
	£	£
Losses	875 897	-
	<hr/>	<hr/>
Deferred tax assets	2016	2015
	£	£
Provision at 1 October		
Deferred tax credit for the year	875 897	-
	<hr/>	<hr/>
Provision at 30 September (see note 8)	875 897	-
	<hr/>	<hr/>

**13 CONTINGENT LIABILITIES AND GUARANTEES**

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Lower Midco Limited and FC Skyfall Bidco Limited the Company's intermediate parent undertakings and FC Skyfall FA Limited, the Company's related group undertaking. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 24 January 2017 the outstanding loan amount is £281.5m.

**14 SUBSEQUENT EVENTS**

No other significant events are noted after the year ended 30 September 2016.

**15 RELATED PARTY TRANSACTIONS**

The Company has taken exemption provided under FRS 102 to not disclose intercompany transactions with other group undertakings within the FC Skyfall Upper Midco Limited group.

There are no transactions between the Company and the Directors during the current year or the preceding year.

The key management personnel of the Company are also the key management personnel of the Group and other group undertakings. Management do not believe it is possible to allocate these costs to each individual company. Further details can be found in the consolidated financial statements of FC Skyfall Upper Midco Limited.

**16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is NHP Holdco 1 Limited, a company incorporated in the Cayman Islands. The Directors regard FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. There is no controlling party beyond FC Skyfall LP.

The largest group in which the results of the Company are consolidated is that headed by FC Skyfall Upper Midco Limited, a company incorporated in England and Wales.

Copies of FC Skyfall Upper Midco Limited consolidated financial statements for the year ended 30 September 2016 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

**17 TRANSITION TO FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements for the year ended 30 September 2015 were prepared under previous UK GAAP, hence the transition date to FRS 102 was 1 October 2014. Other than disclosures made in the financial statements, there were no material adjustments on adoption of FRS 102 for the first time.