Company Registration No. 2798607

NHP LIMITED

Report and Financial Statements

30 September 2011

REPORT AND FINANCIAL STATEMENTS 2011

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REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M J M Jensen
P H Thompson

COMPANY SECRETARY

L Pang

REGISTERED OFFICE

Liberty House
222 Regent Street
London
W1B 5TR

BANKERS

Barclays Bank PLC
South East Corporate Banking Centre
P O Box 112
Horsham
West Sussex RH12 1YQ

SOLICITORS

Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester M1 5ES

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30 September 2011

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITY

The principal activities of the Company's subsidiaries are the purchase and retention of freehold and long leasehold interests, in modern, purpose-built care homes

The principal activity of the Company is to act as a holding company, which conducts corporate activities on behalf of the Group The Directors intend to continue these activities in the forthcoming year

BUSINESS REVIEW

In the year to 30 September 2011, the Company has continued to act as a holding company and this will continue in the foreseeable future

RESULTS

The results for the year to 30 September 2011 are set out in the profit and loss account on page 7

DIVIDENDS

During the year, the Company declared and paid dividend of £nil (2010- £nil)

DIRECTORS

The following Directors served throughout the year were

Directors	Date of appointment
P H Thompson	6 November 2010
J M J M Jensen	19 December 2008

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force to the date of this report

GOING CONCERN

The Company is a guarantor for a loan entered into by another group company and is also reliant on the Group to continue as a going concern due to its recurring losses and net current liability position Nevertheless, the Group has been in technical breach of its loan covenants since 15 December 2008 due to the fall in property values and the Directors of the Company have been in restructuring negotiations with its lenders since 28 November 2008 and have entered into a series of standstill agreements which suspend the rights of creditors in respect to the Senior Loan and the Mezzanine Loan to enforce their rights under the loan documents and related security On 13 January 2012, a further standstill agreement was put in place, expiring 13 April 2012

Given these circumstances along with other matters disclosed in note 1, the Directors do not currently expect the Company to go into insolvent liquidation but there is a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern, which casts the same doubt as to the Company's ability to continue as a going concern Nonetheless, at the present time, the Directors consider it appropriate to prepare the financial statements on the going concern basis See further details in note 1 to the financial statements

DIRECTORS' REPORT

(Continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

J M J M Jensen
Director
Date 17 February 2012
Liberty House
222 Regent Street
London
W1B 5TR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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) 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 and loss of the Company for that period In preparing these financial statements, the Directors are required to

(a) select suitable accounting policies and then apply them consistently,

(b) make judgements and accounting estimates that are reasonable and prudent,

(c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

(d) 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 proper accounting records that are sufficient to show and explain the Company's transaction 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 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 NHP LIMITED

We have audited the financial statements of NHP Limited for the year ended 30 September 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 16 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)

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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 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 2011 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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NHP LIMITED (Continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern The Company incurred a net loss of £243,409 for the year ended 30 September 2011 and, as of that date, the Company's current liabilities exceeded its current assets by £550,758 Thus the Company is reliant on the Group to continue as a going concern

The Group is in breach of the financial covenants in its loan agreement (as described in note 14 of the LIBRA No 2 Limited's 30 September 2011 financial statements) The Directors are in discussion with Capita Asset Services (UK) Limited regarding a resolution of the breach However, the outcome of these discussions and the timing of their conclusion are uncertain

These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption in preparing the Directors' Report

Mark Beddy

Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date 17 February 2012

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2011

	Notes	2011 £	2010 £
Administrative expenses	3	(14,844,901)	(15,929,341)
OPERATING LOSS		(14,844,901)	(15,929,341)
Net interest receivable and similar income	4	14,601,492	14,744,919
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(243,409)	(1,184,422)
Tax charge on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE YEAR	11	(243,409)	(1,184,422)

Results are derived wholly from continuing operations

There are no recognised gains or losses for the current financial year or preceding financial year other than as stated in the profit and loss account Accordingly, no statement of total recognised gains and losses is presented

BALANCE SHEET
30 September 2011

	Notes	2011 £	2010 £
TANGIBLE FIXED ASSETS			
Freehold reversion investment properties	6	24	24
INVESTMENTS	7	57,780	57,780
TOTAL FIXED ASSETS		57,804	57,804
CREDITORS: amounts falling due within one year	8	(550,758)	(307,349)
NET CURRENT LIABILITIES		(550,758)	(307,349)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET LIABILITIES		(492,954)	(249,545)
CAPITAL AND RESERVES			
Share capital	10	2,166,141	2,166,141
Share premium account	11	201,246,919	201,246,919
Revenue reserve	11	914,387	914,387
Profit and loss account	11	(204,820,401)	(204,576,992)
SHAREHOLDERS' DEFICIT		(492,954)	(249,545)

These financial statements were approved and authorised for issue by the Board of Directors on 17 February 2012
The Company registration number is 2798607

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

Signed on behalf of the Board of Directors

J M J M Jensen
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

1 GOING CONCERN

The Company is a guarantor for a term loan entered into by another group company

The Group has been in breach of the covenants on its term loans since November 2008 and as at 30 September 2011 and at 17 February 2012 the term loan amounts remain outstanding (see note 14 of the LIBRA No 2 Limited's 30 September 2011 financial statements for further details) Since November 2008 the term loans have been under a series of standstill agreements and on 13 January 2012 a further standstill agreement was put in place, expiring on 13 April 2012

During the year, HC-One Limited ("HC-One"), a new subsidiary undertaking of the Group was formed as a new care home operator On 31 October 2011 HC-One took over the operation of 242 care homes through assignment of the operating leases from Southern Cross Healthcare Group plc ("Southern Cross") following the conclusion of its restructuring process (the *Southern Cross Restructuring*)

In order to protect the Group's investment and ensure funds were available to underwrite a substantial investment programme in the quality of care in its care homes, the Directors of the Company and of the Group have retained the rental income monies received from the Group's tenants during 2011 through a series of non full interest payments (which have been acknowledged in the standstill agreements) to the Group's lenders This has enabled the Group to provide a total amount of £30 million to HC-One by way of capital contribution and inter-company loans in October 2011 Furthermore, the rents payable by HC-One were reset at £40 million per annum, which is on average 38% below the previous amount charged to Southern Cross

Unlike Southern Cross, the Group now controls both the property and the operations of 242 care homes and can therefore ensure that HC-One is able to operate those homes without the burden of uneconomic rent obligations As announced by the Libra Group lenders on 1 November 2011, the Group intends the level of rent payable by HC-One to be reviewed periodically in line with the trading performance of the business

The discussions with respect to restructuring the term loan of the Company and of the Group with its lenders are on-going (the *Potential Restructuring*)

The Directors of the Group and of the Company and Capita Asset Services (UK) Limited, the Special Servicer to the senior loan continue to explore methods to maximise recoveries to the lenders, including the sale of the whole or part of the Group and/or the properties (the *Disposal Options*)

Whilst the Group must resolve its outstanding debts in the medium term, in the opinion of the Directors of the Company and of the Group, the financing of the Group's operating company, HC-One is secure and will not be compromised, since the long-term value of the Group can only be achieved through the success of the care home operations at HC-One

The Libra Group lenders have confirmed by a letter that it is their intention to provide the Group with the funds it requires including, without limitation, reasonable (a) day-to-day operating costs and expenses, (b) restructuring and/or disposal costs, (c) other exceptional costs incurred in relation to the Southern Cross Restructuring, the Disposal Options and/or the Potential Restructuring, and (d) ensuring that HC-One has sufficient funds to ensure continuity of care services at the homes and investment for the future Based on this assumption, the Directors have prepared a forecast cash flow up to 30 June 2013 which reveals that the Group remains cash positive throughout the period to that date

Given these circumstances, the Directors do not currently expect the Group to go into insolvent liquidation, although this position could change if the negotiations for which the current standstill agreement allows were to fail Given the above, there is a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and therefore indicate that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business

At the present time, the Directors consider it appropriate to prepare the Group and Company financial statements on the going concern basis In the event that the going concern basis should become inappropriate, the assets of the Group and the Company would be written down to their recoverable value and provision made for any further liabilities that may arise At this time it is not practicable to quantify such adjustments

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted are described below and they have been applied consistently during the year and the preceding year

Exemption from consolidation

The Company is itself a subsidiary undertaking of LIBRA No 2 Limited, a company incorporated and registered in the Cayman Islands, and the Company is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006 These financial statements provide information about the Company as an individual undertaking and not about its group

Freehold reversion investment properties

The freehold reversionary interests in the investment properties, which are subject to 999 year leasehold interests to its group undertaking, are stated at cost

Interest

Interest receivable and interest payable are recognised in the financial statements on an accruals basis

Taxation

Current 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 which have originated at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is not recognised in respect of gains and losses on revalued assets unless the company has entered into a binding agreement to sell the assets and the gains or losses have been recognised in the profit and loss account Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Investments and disposals

Fixed asset investments are stated at cost less provision for impairment

Cash flow statement

The directors have elected to take advantage of the exemption under FRS 1 (Revised 1996) not to prepare a cash flow statement as the financial statements of the ultimate parent company contain a consolidated cash flow statement and are available from the Companies House

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

3. ADMINISTRATIVE EXPENSES

The Company had no employees during the current or preceding year

None of the Directors received emoluments in relation to their services to the Company during the current or preceding year Directors' emoluments have been borne by NHP Management Limited, a group undertaking during the current and preceding year

Other administrative expenses include, inter alia

	2011 £	2010 £
Group management fees charged by NHP Management Limited, a group undertaking	56,412	37,912
Provision of doubtful debts – group undertakings*	14,775,289	15,872,264
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,200	7,130
Tax advisers fees payable to the Company's auditor	6,000	12,000

*Provision for doubtful debts totalled of £14,775,289 was in respect of other amounts owed by group undertakings (30 September 2010 £15,872,264)

The Company did not incur any non-audit fees during the year (30 September 2010 £nil)

4. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Interest receivable on loan notes to group undertakings	14,601,920	14,601,173
Other interest receivable	-	144,151
Finance costs	(428)	(405)
	14,601,492	14,744,919

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

5 TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

	2011 £	2010 £
Corporation tax		
- Current year	-	-
Deferred tax charge	-	-
Tax charge	-	-
Profit before tax	(243,409)	(1,184,422)
Tax on loss at standard rate of 27% (2010 28%)	(65,720)	(331,638)
Factors affecting tax charge		
Non-deductible provisions	3,989,328	4,444,234
Non taxable income	(3,942,518)	-
Group relief for nil consideration	-	(4,112,596)
Increase in losses carried forward	18,910	-
Current tax charge	-	-

The tax charge for the current year is higher than that resulting from applying the standard rate of corporation tax due to certain expenditure being disallowable for tax purposes

6. TANGIBLE FIXED ASSETS

Freehold reversions in investment properties

	2011 £	2010 £
Cost at 1 October 2010 and at 30 September 2011	24	24

At 30 September 2011, the Company has investments in freehold investment properties totalling £24 (2010 £24), representing the consideration paid, including VAT, for the freehold reversions to 24 properties (2010 24), 15 of the 999 year leasehold interest are held by Libra CareCo CH2 PropCo Limited, a group undertaking and the remaining 9 of the 999 year leasehold interest are held by Libra CareCo CH3 PropCo Limited, a subsidiary undertaking

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

7 INVESTMENTS

Cost	Shares in subsidiary undertakings £	Subordinated loan notes investment in subsidiary undertakings £	Total £
At 1 October 2010 and 30 September 2011	67,817	178,467,385	178,535,202
Provision			
At 1 October 2010 and 30 September 2011	(10,037)	(178,467,385)	(178,477,422)
Net book value			
At 30 September 2011	57,780	-	57,780
At 30 September 2010	57,780	-	57,780

Shares in subsidiary undertakings

At 30 September 2011, the Company held investments in the following principal subsidiary undertakings

Name	County of incorporation	% Holding	Principal Activity
NHP Securities No 1 Limited*	Great Britain	100%	Investment in care home properties
NHP Securities No 2 Limited*	Great Britain	100%	Investment in care home properties
NHP Securities No 3 Limited*	Great Britain	100%	Investment in care home properties
NHP Securities No 4 Limited*	Great Britain	100%	Partner in LLNHP Partnership
NHP Securities No 9 Limited	Jersey	100%	Dormant company
NHP Securities No 11 Limited*	Jersey	100%	Parent company of NHP Securities No 9 Limited
NHP Management Limited*	Great Britain	100%	Management of care home property portfolios
NHP Operations (York) Limited*	Great Britain	100%	Investment in care homes properties
LLNH Limited*	Great Britain	100%	Partner in LLHNP Partnership
Care Homes No 1 Limited	Cayman Islands	100%	Investment in care home properties
Ultima Holdings Limited	Great Britain	100%	Immediate parent company of Ultima Group Undertakings
Ultima Healthcare Limited	Great Britain	100%	Care home operator
Ultima Care Limited	Great Britain	100%	Care home operator
Eton Hall Homes Limited	Great Britain	100%	Care home operator
Platinum Healthcare Limited	Great Britain	100%	Care home operator

*held directlyby NHP Limited
All shares held are ordinary shares

Subordinated loan notes investment in subsidiary undertakings

Loan notes of £11,143,900 were invested in NHP Securities No 1 Limited to enable the company to acquire the assets transferred from its group undertakings The loan notes have no fixed repayment dates and bear interest at 8 5% per annum The investment in the loan notes in NHP Securities No 1 Limited has been written down in full as its current liabilities exceeded its current assets by £18,024,307 as at 30 September 2011

Loan notes of £4,201,615 were invested in NHP Securities No 2 Limited to enable the company to acquire the assets transferred from its group undertakings The loan notes have no fixed repayment dates and bear interest at 8 5% per annum The investment in the loan notes in NHP Securities No 2 Limited has been written down in full as its current liabilities exceeded its current assets by £7,097,415 as at 30 September 2011

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

7 INVESTMENTS (Continued)

Subordinated loan notes investment in subsidiary undertakings (Continued)

Loan notes of £140,289,815 were invested in NHP Securities No 3 Limited to enable the company to finance the asset acquisitions, have no fixed repayment dates and bear interest at 8 5% per annum A further loan note of £32,254,763 was invested in NHP Securities No 3 Limited, from the proceeds of the rights issue issued by the Company in July 2002, to enable a repayment of the bank debts The loan notes have no fixed repayment dates and bear interest at 6 0% per annum On 28 January 2008 a repayment amount of £9,460,020 was received The investment in the loan notes in NHP Securities No 3 Limited has been written down in full as its current liabilities exceeded its current assets by £228,735,031 as at 30 September 2011

£10,000 loan note was invested in NHP Securities No 11 Limited, has no fixed repayment dates and bears interest at 8 7% per annum The investment in the loan notes in NHP Securities No 11 Limited has been written down in full as its current liabilities exceeded its current assets by £12,610 as at 30 September 2011

The loan notes due by Care Homes No 2 (Cayman) Limited of £8,000 are repayable on 2 January 2026 and bears interest at 8 446% per annum The investment in the loan notes in Care Homes No 2 (Cayman) Limited has been written down in full as its current liabilities exceeded its current assets by £142,560,288 as at 30 September 2011

The loan notes due by Care Homes No 3 Limited of £19,312 are repayable on 2 January 2031 and bear interest at 6 6% per annum The investment in the loan notes in Care Homes No 3 Limited has been written down in full as its current liabilities exceeded its current assets by £142,560,288 as at 30 September 2011

The Company and all its group undertakings are guarantors to a £1,172 million term loan facility agreement entered by LIBRA No 3 Limited, a group undertaking with CS Funding 1 Limited, a group undertaking of Credit Suisse on 15 January 2007 As disclosed in note 1, since November 2008, the Senior Loan has been under a series of standstill agreements

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Amounts due to group undertakings	516,108	266,698
Other creditors	28,650	28,651
Accruals and deferred income	6,000	12,000
	550,758	307,349

Amounts due to group undertakings have no repayment date and are due on demand bearing no interest

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

9. DEFERRED TAXATION

	Provided 2011 £	2010 £	Unprovided 2011 £	2010 £
Accelerated capital allowances	-	-	(61,036)	(65,919)
Losses carried forward	-	-	(17,510)	-
	-	-	(78,546)	(65,919)

A deferred tax asset has not been recognised on accelerated capital allowances, as it is considered more likely than not that there will be insufficient taxable profits in the future against which the capital allowances may be utilised

In July 2011, the UK Government announced that the main rate of corporation tax would reduce to 25% with effect from 1 April 2012 This tax rate reduction was substantively enacted at the balance sheet date and therefore deferred tax balances have been calculated using a rate of 25% The Government also announced subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014 These tax rates have not been substantively enacted and therefore have not been reflected in the financial statements The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

10. CALLED UP SHARE CAPITAL

	2011 Number	2011 £	2010 Number	2010 £
Called up, allotted and fully paid:				
Ordinary shares at 1p each				
At 1 October and 30 September	216,614,127	2,166,141	216,614,127	2,166,141

There were no shares issued during the year

11 RESERVES

	Share Premium Account £	Revenue Reserve £	Profit and Loss Account £
At 1 October 2010	201,246,919	914,387	(204,576,992)
Loss for the year	-	-	(243,409)
At 30 September 2011	201,246,919	914,387	(204,820,401)

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2011 £	2010 £
Loss for the year	(243,409)	(1,184,422)
Shareholders' (deficit) / funds at the beginning of the year	(249,545)	934,877
Shareholders' deficit at the end of the year	(492,954)	(249,545)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2011

13 CONTINGENT LIABILITIES AND GUARANTEES

The Company is one of the guarantors to a £1,172 million term loan facility agreement entered into by LIBRA No 3 Limited, a group undertaking with CS Funding 1 Limited, a SPV of Credit Suisse on 15 January 2007 The facility is secured by a fixed and floating charge on group assets and unlimited guarantee from its group undertakings On 4 April 2007 CS Funding 1 Limited's rights and obligations under the £1,172 million term loan agreement were assigned to Libra NHP (2007) Limited, who in turn assigned £638 million to Titan Europe 2007-1 (NHP) Limited on 24 May 2007

14. POST BALANCE SHEET EVENT

On 13 January 2012 a standstill agreement was put in place until 13 April 2012 which suspends the ability of Capita Asset Services (UK) Limited, the loan servicer to exercise its rights in relation to certain specified events of default Also, it allows the Group time to negotiate a solution to the problem of the breached covenants without threat of foreclosure

15 RELATED PARTY TRANSACTIONS

The exemption under Financial Reporting Standard No 8 "Related Party Disclosures" has been taken and consequently, transactions with other undertakings within the LIBRA No 2 Limited group have not been disclosed in these financial statements

No other related party transaction is noted

16. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The immediate parent undertaking is Libra CareCo Limited, a company incorporated in Great Britain and registered in England and Wales

As of 12 December 2006 the new ultimate and parent undertaking is Delta Commercial Property LP, a limited partnership incorporated and registered in the Isle of Man

The results of the Company are consolidated within LIBRA No 2 Limited, its intermediate parent undertaking, a company incorporated and registered in the Cayman Islands LIBRA No 2 Limited is both the smallest and largest group including the Company for which consolidated accounts are prepared

Copies of the LIBRA No 2 Limited group consolidated financial statements to 30 September 2011, which include the results of the Company, are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ