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Company Registration No. FC030452

**Libra Intermediate Holdco Limited**

**Report and Financial Statements**

**30 September 2014**

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# LIBRA INTERMEDIATE HOLDCO LIMITED

## REPORT AND FINANCIAL STATEMENTS 2014

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# LIBRA INTERMEDIATE HOLDCO LIMITED

## REPORT AND FINANCIAL STATEMENTS 2014

### OFFICERS AND PROFESSIONAL ADVISERS

#### DIRECTORS

Mr C Patel (appointed on 12 November 2014)  
Mr D Smith (appointed on 12 November 2014)  
Mr J M J M Jensen (resigned on 12 November 2014)  
Mr P H Thompson (resigned on 12 November 2014)

#### SECRETARY

Crestbridge Corporate Services Limited

#### REGISTERED OFFICE

47 Esplanade  
St Helier  
Jersey  
JE1 0BD

#### SOLICITORS

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

#### AUDITOR

Deloitte LLP  
Chartered Accountants  
London

**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 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,
- 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 provisions of the Companies Act 2006 applicable to overseas companies. 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 2014 which comprise the Profit and Loss Account, the Balance Sheet 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).

This report is made solely to the company's members, as a body. 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 2014 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 provisions of the Companies Act 2006 applicable to overseas companies

**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 provisions of the Companies Act 2006 applicable to overseas companies 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



Mark Beddy (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date 29 April 2015

## LIBRA INTERMEDIATE HOLDCO LIMITED

### PROFIT AND LOSS ACCOUNT Year ended 30 September 2014

|  | Notes     | Year ended 30<br>September<br>2014<br>£ | Year ended 30<br>September<br>2013<br>£ |
|--|-----------|---|---|
| Administrative expenses  |           |   |   |
| - on-going   | 3         | (3,200)                                 | (5,568)                                 |
| - exceptional  | 4         | (5,694,998)                             | -                                       |
| <b>OPERATING LOSS</b>  |           | <b>(5,698,198)</b>                      | <b>(5,568)</b>                          |
| Net interest payable and similar charges   | 5         | (247,652)                               | (308,772)                               |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION</b>                               |           | <b>(5,945,850)</b>                      | <b>(314,340)</b>                        |
| Tax on loss on ordinary activities   | 6         | -                                       | -                                       |
| <b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION<br/>AND LOSS FOR THE YEAR / PERIOD</b> | <b>11</b> | <b>(5,945,850)</b>                      | <b>(314,340)</b>                        |

All results are derived from continuing operations

There are no recognised gains or losses in the current year or the preceding period other than as stated above. No statement of recognised gains or losses has, therefore, been presented.

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**BALANCE SHEET**  
**30 September 2014**

|   | Notes | 2014         |              | 2013        |             |
|---|-------|--------------|--------------|-------------|-------------|
|   |       | £            | £            | £           | £           |
| <b>FIXED ASSETS</b>                                   |       |              |              |             |             |
| Investments   | 7     |              | 5,000,000    |             | 5,000,000   |
| <b>CURRENT ASSETS</b>                                 |       |              |              |             |             |
| Debtors   | 8     | 1,885        |              | 1,885       |             |
|   |       | 1,885        |              | 1,885       |             |
| <b>CREDITORS: amounts falling due within one year</b> | 9     | (11,421,805) |              | (5,475,955) |             |
| <b>NET CURRENT LIABILITIES</b>                        |       |              | (11,419,920) |             | (5,474,070) |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       |              | (6,419,920)  |             | (474,070)   |
| <b>NET LIABILITIES</b>                                |       |              | (6,419,920)  |             | (474,070)   |
| <b>CAPITAL AND RESERVES</b>                           |       |              |              |             |             |
| Share capital   | 10    |              | 10           |             | 10          |
| Profit and loss account                               | 11    |              | (6,419,930)  |             | (474,080)   |
| <b>SHAREHOLDERS' DEFICIT</b>                          | 12    |              | (6,419,920)  |             | (474,070)   |

These financial statements were approved and authorised for issue by the Board of Directors on 29 April 2015. The Company Registration number is FC030452.

Signed on behalf of the Board of Directors



D Smith  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2014**

**1. GOING CONCERN**

As at 30 September 2014 the Company was a guarantor for a £1,172m term loan (the Senior Loan') entered into by LIBRA No 3 Limited, the Company's intermediate parent undertaking

The Group had been in breach of the covenants since November 2008 due to the fall in property values and the Directors of the Company had been in restructuring negotiation with its lenders and had entered into a series of standstill agreements

At 30 September 2014 the Group and Capita Asset Services (UK) Limited ('Capita'), the Servicer and the Special Servicer to the Senior Loan had decided to pursue a possible sale of all of the shares of NHP Holdco 1 Limited, the Company's intermediate parent undertaking (the *Disposal*)

The Disposal was successfully concluded on 12 November 2014 following an acquisition made by Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited Consequently, NHP Holdco 1 Limited and all its subsidiaries including HC-One and TTCC have been transferred to the new owner See note 16 for further details

The change in ownership removed the uncertainty and financial risk connected with the bank debts of LIBRA No 3 Limited and LIBRA No 2 Limited, the Company's ultimate parent undertaking The new structure properly funds the Group, the Company and the operations of HC-One Limited and TTCC Limited (both are group undertakings) and its plan for future development

The obligations of NHP Holdco 1 Limited and its subsidiary undertakings under the £1,172m term loans were fully discharged on 12 November 2014

On 12 December 2014 LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation

The Group maintains sufficient cash resources to meet its day-to-day working capital requirements The Company is in a net liability position and is reliant on support from its parent undertaking to meet its obligations

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

**2. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with Section 396 of the Overseas Companies Regulations 2013 The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (as issued by Accounting Council)

The particular accounting policies adopted are described below

**Exemption from consolidation**

The Company has taken advantage of section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is itself a subsidiary undertaking of NHP Holdco 1 Limited These financial statements provide information about the Company as an individual undertaking and not about its group

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**2 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 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.

**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

**Cash flow statement**

As the Company is a wholly-owned subsidiary, it has taken exemption under the terms of Financial Reporting Standard 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement, as it is included in the consolidated financial statements NHP Holdco 1 Limited, which are publicly available

**3. ADMINISTRATIVE EXPENSES**

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

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

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 previous period. The Company did not incur any non-audit fees during the year (2013: £nil)

**4. EXCEPTIONAL COSTS**

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

|                                  | Year ended<br>30 September<br>2014 | Year ended<br>30 September<br>2013 |
|----------------------------------|------------------------------------|------------------------------------|
|                                  | £                                  | £                                  |
| Restructuring costs and expenses | 5,694,998                          | -                                  |

Restructuring costs and expenses of £5,694,998 have been incurred in respect of the disposal of the property portfolio of the Group and the shares in NHP Holdco 1 Limited

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2014**

**5. NET INTEREST PAYABLE AND SIMILAR CHARGES**

|  | Year ended 30<br>September<br>2014<br>£ | Year ended 30<br>September<br>2013<br>£ |
|--|---|---|
| Interest payable to group undertakings | 247,652                                 | 308,772                                 |

**6. TAX ON LOSS ON ORDINARY ACTIVITIES**

|  | Year ended 30<br>September<br>2014<br>£ | Year ended 30<br>September<br>2013<br>£ |
|--|---|---|
| Corporation tax charge                           | -                                       | -                                       |
| Loss before tax                                  | (5,945,850)                             | (314,340)                               |
| Tax on loss at standard rate of 22% (2013 23.5%) | (1,308,087)                             | (73,870)                                |
| Factors affecting charge                         |   |   |
| Increase in losses carried forward               | 55,187                                  | 73,870                                  |
| Non-deductible provisions                        | 1,252,900                               | -                                       |
|  | -                                       | -                                       |

The tax charge for the current period is higher than that resulting from applying the standard rate of corporation tax due to an increase in tax losses carried forward

**7. INVESTMENTS**

|  | 2014      | 2013      |
|--|-----------|-----------|
|  | £         | £         |
| <b>Investment in subsidiary undertaking:</b> |           |           |
| <b>Cost</b>                                  |           |           |
| At 1 October 2013 and 30 September 2014      | 5,000,000 | 5,000,000 |
| <b>Provision</b>                             |           |           |
| At 1 October 2013 and at 30 September 2014   | -         | -         |
| <b>Net book value</b>                        |           |           |
| At 30 September 2014                         | 5,000,000 | 5,000,000 |
| At 30 September 2013                         | 5,000,000 | 5,000,000 |

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. The principal activity of HC-One Limited is a care home operator.

**LIBRA INTERMEDIATE HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2014**

**8 DEBTORS**

|                                   | <b>2014</b>  | <b>2013</b>  |
|-----------------------------------|--------------|--------------|
|                                   | <b>£</b>     | <b>£</b>     |
| Amount due within one year        |              |              |
| Amount due from group undertaking | 10           | 10           |
| Prepayments                       | 1,875        | 1,875        |
|                                   | <u>1,885</u> | <u>1,885</u> |
|                                   | <u>1,885</u> | <u>1,885</u> |

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

|   | <b>2014</b>       | <b>2013</b>      |
|---|-------------------|------------------|
|   | <b>£</b>          | <b>£</b>         |
| Loan notes due to group undertakings    | 5,486,040         | 5,249,015        |
| Loan interest due to group undertakings | 230,124           | 219,498          |
| Other amount due to group undertakings  | 5,705,641         | 7,442            |
|   | <u>11,421,805</u> | <u>5,475,955</u> |
|   | <u>11,421,805</u> | <u>5,475,955</u> |

At 30 September 2014 total loan of £1,086,321 (2013 £1,039,387) was issued to Care Homes No 1 Limited, a group undertaking to enable the Company to invest in the issued share capital of HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum.

At 30 September 2014 total loan of £2,453,310 (2013 £2,347,314) was issued to Care Homes No 2 (Cayman) Limited, a group undertaking to enable the Company to invest in the issued share capital of HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum.

At 30 September 2014 total loan of £1,946,409 (2013 £1,862,314) was issued to Care Homes No 3 Limited, a group undertaking to enable the Company to invest in the issued share capital of HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum.

**10. CALLED UP SHARE CAPITAL**

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Called up, allotted and fully paid:</b> |             |             |
| 10 Ordinary shares of £1 each              | 10          | 10          |
|  | <u>10</u>   | <u>10</u>   |
|  | <u>10</u>   | <u>10</u>   |

**11. PROFIT AND LOSS ACCOUNT**

|                      | <b>£</b>           |
|----------------------|--------------------|
| At 1 October 2013    | (474,080)          |
| Loss for the year    | (5,945,850)        |
|                      | <u>(6,419,930)</u> |
| At 30 September 2014 | <u>(6,419,930)</u> |

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2014

## 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

|  | 2014<br>£          | 2013<br>£        |
|--|--------------------|------------------|
| Loss for the year                                  | (5,945,850)        | (314,340)        |
| Net increase in shareholders' deficit              | (5,945,850)        | (314,340)        |
| Shareholders' deficit at the beginning of the year | (474,070)          | (159,730)        |
| Shareholders' deficit at the end of the year       | <u>(6,419,920)</u> | <u>(474,070)</u> |

## 13. PROVISIONS FOR LIABILITIES AND CHARGES

|                        | 2014<br>£       | 2013<br>£       |
|------------------------|-----------------|-----------------|
| Losses carried forward | <u>(94,816)</u> | <u>(94,816)</u> |

No deferred tax asset has been recognised in respect of the losses carried forward as it is considered that it is uncertain whether there will be sufficient taxable profits in the future to utilise the losses

## 14. CONTINGENT LIABILITIES AND GUARANTEES

On 12 November 2014 the Company and its group undertakings became guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's new intermediate parent undertaking. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 29 April 2015 the outstanding loan amount is £295.8m

## 15. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings within the NHP Holdco 1 Limited group have not been disclosed in these financial statements

## 16. POST BALANCE SHEET EVENTS

(a) On 12 November 2014 Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited, a related party of the Group, acquired 100% share capital of NHP Holdco 1 Limited from LIBRA No 3 Limited. The change in ownership removed the uncertainty and financial risk connected with the bank debts of LIBRA 3 Limited and LIBRA No 2 Limited. The new structure properly funds the Group, the Company and the operations of HC-One and TTCC and its plan for future development.

The Group's new partnership is with two organisations who share HC-One and TTCC's passion for care. Since 1999, Formation Capital and its investors have invested over US\$5 billion across care in the senior housing sector. Safanad Limited is a global investment firm that invests in property, private and public market.

The new partnership has been created with the view to consolidating HC-One's transformation and is planning to acquire further homes and diversify the care provided to include retirement villages, residential, nursing and home care. In doing so becoming an integrated health and social care provider working in collaboration with public sector commissioners delivering high quality and cost effective services.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2014**

**16 POST BALANCE SHEET EVENTS (Continued)**

As such, the acquisition represents the start of a new era for the Group's residents, staff and relatives. An investment programme will commence in 2015 to invest more than £100 million over five years to continue improving HC-One's homes and the services provided.

(b) On 12 November 2014 following the change of ownership, the obligations of the Company and its group undertakings under the £1,172m term loans were fully discharged.

(c) On 12 December 2014 LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation.

(d) On 12 November 2014 the Company and all its group undertakings were acceded as guarantors to a facility agreement entered into by FC Skyfall Bidco Limited. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 29 April 2015 the outstanding loan amount is £295.8m.

**17. ULTIMATE PARENT UNDERTAKINGS**

At 30 September 2014 the immediate parent company of the Company is NHP Holdco 1 Limited, a company incorporated in the Cayman Islands.

On 12 November 2014 Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited, a related party of the Group, acquired 100% share capital of NHP Holdco 1 Limited, the Company's intermediate parent undertaking from LIBRA No 3 Limited, also the Company's intermediate parent undertaking.

Following the change to new ownership on 12 November 2014 FC Skyfall Bidco Limited, a company incorporated in the United Kingdom and registered in England and Wales, becomes the Company's intermediate parent undertaking. As disclosed in note 16, LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation on 12 December 2014 hence NHP Holdco 1 Limited is both the smallest and largest group including the Company for which consolidated accounts are prepared.

Copies of the NHP Holdco 1 Limited group consolidated financial statements to 30 September 2014, which include the results of the Company, are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.