

NHP LIMITED

Report and Financial Statements

30 September 2015

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COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2015

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REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr C Patel
Mr D Smith

REGISTERED OFFICE

Southgate House
Archer Street
Darlington
County Durham DL3 6AH

BANKERS

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

SOLICITORS

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

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 2015.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Company has also taken the small companies exemption from the requirement to prepare a Strategic Report.

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 Company's parent undertaking, FC Skyfall Upper Midco Limited and its subsidiaries (the "Group"). The Directors intend to continue these activities in the forthcoming year.

BUSINESS REVIEW

In the year to 30 September 2015, 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 2015 are set out in the profit and loss account on page 7.

DIVIDENDS

During the year, the Company declared and paid dividends of £nil (2014- £nil).

DIRECTORS

The following Directors served throughout the year:

Dr 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)

The current Directors of the Company are detailed on page 1.

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 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 2017. 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.

DIRECTORS' REPORT

(Continued)

GOING CONCERN (Continued)

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.

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



D Smith
Director
Date: 24 March 2016
Southgate House
Archer Street
Darlington
County Durham DL3 6AH

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 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 2015 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 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 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

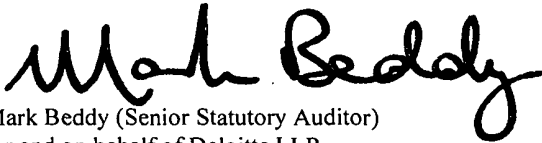
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.



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

Date: 24 March 2016

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2015

	Notes	2015 £	2014 £
Administrative income/ (expenses)	2	326,153,458	(14,644,364)
Amount written back investments		10,006	-
OPERATING PROFIT / (LOSS)		<u>326,163,464</u>	<u>(14,644,364)</u>
Net interest receivable and similar income	3	14,603,143	14,605,411
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		340,766,607	(38,953)
Tax charge on profit/ (loss) on ordinary activities	4	-	-
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE YEAR	11	<u><u>340,766,607</u></u>	<u><u>(38,953)</u></u>

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 2015

	Notes	2015 £	2014 £
TANGIBLE FIXED ASSETS			
Freehold reversion investment properties	5	24	24
INVESTMENTS			
	6	<u>178,535,171</u>	<u>57,780</u>
TOTAL FIXED ASSETS			
		<u>178,535,195</u>	<u>57,804</u>
CURRENT ASSETS			
Debtors			
	7	162,293,926	-
CREDITORS: amounts falling due within one year			
	8	(564,346)	(559,636)
NET CURRENT ASSETS / (LIABILITIES)			
		<u>161,729,580</u>	<u>(559,636)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS / (LIABILITIES)			
		<u>340,264,775</u>	<u>(501,832)</u>
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	<u>135,937,328</u>	<u>(204,829,279)</u>
SHAREHOLDERS' FUNDS/ (DEFICIT)			
	12	<u>340,264,775</u>	<u>(501,832)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 24 March 2016. The Company registration number is 2798607.

Signed on behalf of the Board of Directors



D Smith
 Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (as issued by Accounting Council). The particular accounting policies adopted are described below and they have been applied consistently during the current year and the preceding year.

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 FC Skyfall Upper Midco Limited. These financial statements provide information about the Company as an individual undertaking and not about its group.

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 2017. 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.

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.

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

Fixed asset investments are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

1. ACCOUNTING POLICIES (Continued)

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 FC Skyfall Upper Midco Limited contain a consolidated cash flow statement and are available from the Companies House.

2. ADMINISTRATIVE INCOME/ (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 HC-One Limited, a group undertaking during the current year and by NHP Management Limited, also a group undertaking in the preceding year.

Other administrative income/ (expenses) include, inter alia:

	2015 £	2014 £
Group management fees charged by NHP Management Limited, a group undertaking	(22,848)	(23,139)
Write back/ (off) of provision of doubtful debts – group undertakings*	326,190,906	(14,606,625)
Fees payable to the Company's auditor for the audit of the Company's annual accounts	(9,600)	(9,600)
Tax advisers fees payable to the Company's auditor	(5,000)	(5,000)
	<u> </u>	<u> </u>

*Write back of provision for doubtful debts include total of £178,467,385 for the investment in subordinated loan notes and £147,723,521 for other amounts owed by group undertakings (At 30 September 2014: provision of £nil and £14,606,625 respectively).

3. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £	2014 £
Interest receivable on loan notes to group undertakings	14,603,143	14,602,712
Interest receivable – other	-	913
Finance income	-	1,786
	<u> </u>	<u> </u>
	<u>14,603,143</u>	<u>14,605,411</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

4. TAX CHARGE ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2015	2014
	£	£
Corporation tax:		
- Current year	-	-
Deferred tax charge	-	-
Tax charge	<u>-</u>	<u>-</u>
Profit/ (Loss) before tax	<u>340,766,607</u>	<u>(38,953)</u>
Tax on loss at standard rate of 20.5% (2014: 22%)	69,852,493	(8,570)
Factors affecting tax charge:		
Non-deductible provisions	-	3,213,456
Income not taxable for tax purposes	(66,866,725)	-
Group relief not paid for	(2,985,768)	-
Increase in losses carried forward	-	(3,204,886)
Current tax charge	<u>-</u>	<u>-</u>

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 disallowed for tax purposes.

5. TANGIBLE FIXED ASSETS

Freehold reversions in investment properties

	2015	2014
	£	£
Cost at 1 October 2014 and at 30 September 2015	<u>24</u>	<u>24</u>

At 30 September 2015, the Company has investments in freehold investment properties totalling £24 (2014: £24), representing the consideration paid, including VAT, for the freehold reversions to 24 properties (2014: 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, another group undertaking.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

6. INVESTMENTS

Cost	Shares in subsidiary undertakings £	Subordinated loan notes investment in subsidiary undertakings £	Total £
At 1 October 2014 and 30 September 2015	67,817	178,467,385	178,535,202
Provision			
At 1 October 2014	(10,037)	(178,467,385)	(178,477,422)
Write back of provision**	10,006	178,467,385	178,477,391
	(31)	-	(31)
Net book value			
At 30 September 2015	67,786	178,467,385	178,535,171
At 30 September 2014	57,780	-	57,780

Shares in subsidiary undertakings

At 30 September 2015, the Company held investments in the following subsidiary undertakings:

Name	County of incorporation	% Holding	Principal Activity
NHP Securities No.1 Limited*	United Kingdom	100%	Investment in care home properties
NHP Securities No.2 Limited*	United Kingdom	100%	Investment in care home properties
NHP Securities No.3 Limited*	United Kingdom	100%	Investment in care home properties
NHP Securities No.4 Limited*	United Kingdom	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*	United Kingdom	100%	Management of care home property portfolios
NHP Operations (York) Limited*	United Kingdom	100%	Investment in care homes properties
LLNH Limited*	United Kingdom	100%	Partner in LLHNP Partnership
Care Homes No. 1 Limited	Cayman Islands	100%	Investment in care home properties

*held directly by NHP Limited.

All shares held are ordinary shares.

** Impairment on fixed asset investment provided in previous years has been written back to the profit and loss account in current year.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

6. 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.

£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 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 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.

7. DEBTORS

	2015	2014
	£	£
Due within one year		
Amounts due by group undertakings	162,293,926	-
	<u>162,293,926</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Amounts due to group undertakings	530,696	525,986
Other creditors	28,650	28,650
Accruals and deferred income	5,000	5,000
	<u>564,346</u>	<u>559,636</u>

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 2015

9. DEFERRED TAXATION

	Provided		Unprovided	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	-	-	(48,829)	(48,829)
	<u>-</u>	<u>-</u>	<u>(48,829)</u>	<u>(48,829)</u>

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. Accordingly 20% has been applied when calculating un-recognised deferred tax assets and liabilities as at 30 September 2015.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes further provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation had not been substantively enacted as at the balance sheet date these rates do not apply to the deferred tax position at 30 September 2015.

10. CALLED UP SHARE CAPITAL

	Number	2015	Number	2014
		£		£
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
	<u>216,614,127</u>	<u>2,166,141</u>	<u>216,614,127</u>	<u>2,166,141</u>

There were no shares issued during the year.

11. RESERVES

	Share	Revenue	Profit and
	Premium	Reserve	Loss Account
	Account	Reserve	Account
	£	£	£
At 1 October 2014	201,246,919	914,387	(204,829,279)
Profit for the year	-	-	340,766,607
	<u>201,246,919</u>	<u>914,387</u>	<u>135,937,328</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/ (DEFICIT)

	2015	2014
	£	£
Profit/ (Loss) for the year	340,766,607	(38,953)
Shareholders' deficit at the beginning of the year	(501,832)	(462,879)
	<u>340,264,775</u>	<u>(501,832)</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

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. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 16 March 2016 the outstanding loan amount is £278.2m.

14. POST BALANCE SHEET EVENTS

No post balance sheet event is noted.

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 FC Skyfall Upper Midco Limited group have not been disclosed in these financial statements.

No other related party transaction is noted.

16. ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking is Libra CareCo Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent undertaking is FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands. FC Skyfall Upper Midco Limited is both the smallest and largest group the consolidated financial statements are drawn up.

Copies of FC Skyfall Upper Midco Limited financial statements to 30 September 2015 are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.