

NHP SECURITIES NO.3 LIMITED
Annual Report and Financial Statements
For the year ended 30 September 2018



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2018**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2018**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr J Hutchens
Mr D Smith

REGISTERED OFFICE

Southgate House
Archer Street
Darlington
County Durham
DL3 6AH

BANKERS

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

AUDITOR

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

DIRECTORS' REPORT

The Directors present their annual report on the affairs of NHP Securities No. 3 Limited ("the Company"), together with the financial statements and auditor's report for the year ended 30 September 2018.

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 ACTIVITIES

The principal activity of the Company is to receive interest income from loan notes issued to group undertakings. The Directors intend to continue these activities in the forthcoming year.

BUSINESS REVIEW

The Company no longer owns any tangible fixed assets following the sale of its remaining freehold residential property at market value on 31 March 2017.

RESULTS

The Company's profit before taxation for the year to 30 September 2018 was £1.1m (2017: £0.7m). As at 30 September 2018 the net assets of the Company were £365.4m (2017: £364.3m).

DIVIDENDS

During the year, the Company declared and paid a dividend of £nil (2017: £nil).

DIRECTORS

The following Directors served throughout the year and to the date of signing:

Mr J Hutchens
Mr D Smith

The ultimate parent undertaking of the Company, FC Skyfall TopCo Limited has made qualifying third party indemnity provisions for the benefit of the Company's Directors and the directors of all its other subsidiaries, which were made during the year and remain in force to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the Company have the overall responsibilities for the FC Skyfall Upper Midco Limited group ("the Group"), of which the Company is a subsidiary. The principal risks and uncertainties of the Group also apply to the Company. The consolidated financial statements of FC Skyfall Upper Midco Limited for the year ended 30 September 2018 are publicly available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

There are no further risks specific to the Company.

GOING CONCERN

The going concern position of the Company is dependent on the overall going concern of the Group headed by FC Skyfall Upper Midco Limited.

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 forecasts for the Group for the period to 30 September 2020. 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 reasonable, 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 continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SUBSEQUENT EVENTS

No other significant events are noted between the year ended 30 September 2018 and to the date of signing of this report. See note 11 to the 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.

Approved by the Board and signed on its behalf by:



Mr D Smith
Director
Date: 25 January 2019
Southgate House
Archer Street
Darlington
County Durham DL3 6AH

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 judgements 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 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 SECURITIES NO.3 LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NHP Securities No. 3 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NHP SECURITIES NO. 3 LIMITED (Continued)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NHP SECURITIES NO. 3 LIMITED (Continued)**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 and from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Dave Johnson (Senior statutory auditor (FCA))
for and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
Date: 25 January 2019

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2018

	Notes	Total 2018 £	Total 2017 £
Administrative expenses		(523,317)	(18,715)
OPERATING LOSS		<u>(523,317)</u>	<u>(18,715)</u>
Profit on disposal of property		-	10,000
Net interest receivable and similar income	3	<u>1,581,595</u>	<u>676,715</u>
PROFIT BEFORE TAXATION	4	1,058,278	668,000
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,058,278</u></u>	<u><u>668,000</u></u>

Results are derived from continuing and discontinued operations.


There is no comprehensive income for the current or preceding year other than as stated in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

NHP SECURITIES NO.3 LIMITED

BALANCE SHEET
As at 30 September 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investments	6	2,497,648	2,494,079
TOTAL FIXED ASSETS		<u>2,497,648</u>	<u>2,494,079</u>
CURRENT ASSETS			
Debtors			
- due within one year	7	684,592,413	670,318,591
Cash at bank and in hand		175,238	102,365
		<u>684,767,651</u>	<u>670,420,956</u>
CREDITORS: amounts falling due within one year	8	<u>(321,887,211)</u>	<u>(308,595,225)</u>
NET CURRENT ASSETS		<u>362,880,440</u>	<u>361,825,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>365,378,088</u>	<u>364,319,810</u>
NET ASSETS		<u><u>365,378,088</u></u>	<u><u>364,319,810</u></u>
CAPITAL AND RESERVES			
Called-up share capital	9	2	2
Profit and loss account	9	365,378,086	364,319,808
SHAREHOLDERS' FUNDS		<u><u>365,378,088</u></u>	<u><u>364,319,810</u></u>

These financial statements of NHP Securities No. 3 Limited (registered number 03287957) were approved by the Board of Directors and authorised for issue on 25 January 2019. They were signed on its behalf by:



Mr D Smith
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2018

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2016	2	363,651,808	363,651,810
Profit for the financial year and total comprehensive income	-	668,000	668,000
At 30 September 2017	2	364,319,808	364,319,810
Profit for the financial year and total comprehensive income	-	1,058,278	1,058,278
At 30 September 2018	2	365,378,086	365,378,088

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

1. ACCOUNTING POLICIES

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

General information and basis of accounting

NHP Securities No. 3 Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2-3.

The average monthly number of employees (excluding executive Directors) was nil (2017: nil).

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

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 FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. 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 a cash flow statement, the disclosure of intercompany transactions with other group undertakings within the FC Skyfall Upper Midco Limited group, and remuneration of key management personnel.

Going concern

The going concern position of the Company is dependent on the overall going concern of the Group headed by FC Skyfall Upper Midco Limited.

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

Management have prepared detailed forecasts for the Group for the period to 30 September 2020. 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 reasonable, 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 continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2018

1. ACCOUNTING POLICIES (Continued)

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 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. 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 period, 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.

Interest

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

Financial instruments

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 2018****1. ACCOUNTING POLICIES (Continued)****Financial instruments (Continued)**

Financial assets and liabilities are only offset in the balance sheet 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 expired.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Company'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 judgements 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2018

3. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Interest payable to NHP Limited on subordinated loan notes	(13,292,319)	(13,292,319)
Finance costs	(30)	(30)
Interest receivable on bank deposits	240	-
Interest receivable on loan notes to group undertakings	14,873,704	13,969,064
	<u>1,581,595</u>	<u>676,715</u>

4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging and crediting:

	2018 £	2017 £
Group management fees	5,733	6,317
Provision of intercompany debts	509,584	-
Fees payable to the Company's Auditor for the audit of the annual financial statements	4,000	3,800
Non audit fees for tax compliance services	4,000	4,333
	<u>4,000</u>	<u>4,333</u>

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

No Directors' remuneration has been charged to the profit and loss account of the Company during the current or preceding year. Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current and preceding year, and are not repayable.

5. TAX ON PROFIT

	2018 £	2017 £
Current taxation:		
Corporation tax charge	-	-
Total tax charge	-	-
Reconciliation of current year charge:		
Profit before tax	1,058,278	668,000
Tax on profit at standard rate of 19.0% (2017: 19.5%)	201,073	130,251
Factors affecting tax charge:		
Non-deductible provisions	96,821	-
Expenses not deductible	-	(1,950)
Effect of group relief/other reliefs	(297,894)	(128,301)
Total tax charge for the year	<u>-</u>	<u>-</u>

The standard rate of tax applied to reported profit is 19.0% (2017: 19.5%).

Finance Act No.2 2015 included provisions to reduce the corporate tax to 19.0% with effect from 1 April 2017. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax to 17.0% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2018.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2018

6. INVESTMENTS

	Subordinated loan notes investment in group undertaking £
Cost and net book value	
At 1 October 2017	2,494,079
Additions	3,569
	<hr/>
At 30 September 2018	2,497,648
	<hr/> <hr/>

Subordinated loan notes investment

At 30 September 2018 £2,106,983 (2017: £2,103,414) of the loan notes were owed from Care Homes No.2 (Cayman) Limited. The loan notes are repayable on 2 January 2026 and bear interest at 8.91% per annum.

At 30 September 2018 loan notes of £230,665 (2017: £230,665) were owed from FC Skyfall Bidco Limited, an intermediate parent undertaking. The loan repayment date is on 11 November 2019 and the loan notes bear a fixed interest rate of 9.00% per annum.

At 30 September 2018 loan notes of £160,000 (2017: £160,000) were owed from FC Skyfall IOM Properties Limited, a group undertaking. The loan repayment date is on 31 March 2022 and the loan notes bear a fixed interest rate of 6.50 % per annum

7. DEBTORS

	2018 £	2017 £
Amounts due within one year:		
Loan notes due from group undertakings	474,069,624	474,069,624
Amounts owed by group undertakings	210,522,789	196,248,967
	<hr/>	<hr/>
	684,592,413	670,318,591
	<hr/> <hr/>	<hr/> <hr/>

Loan notes due from group undertakings

At 30 September 2018 the loan notes of £23,841,468 (2017: £23,841,468) due by Care Homes No.3 Limited, which represent the consideration payable for the financing of overriding leases, have no fixed repayment dates and bear interest at 6.60% per annum.

At 30 September 2018 the loan notes of £72,106,107 (2017: £72,106,107) and £47,707,425 (2017: £47,707,425) due by Libra CareCo CH2 PropCo Limited and Libra CareCo CH3 PropCo Limited respectively have no fixed repayment dates and bear interest at daily 12 month LIBOR plus 2.00%. The loan notes were issued to finance part consideration for the purchase of the interests in freehold and long leasehold residual properties.

At 30 September 2018, a loan note of £330,414,624 (2017: £330,414,624) was owed by Libra CareCo Limited, a group undertaking. The interest rate charged was at LIBOR plus 2.00% per annum, repayable on demand.

Amounts owed by group undertakings

As at 30 September 2018 FC Skyfall Bidco Limited owed £62,223 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £41,463).

As at 30 September 2018 Care Homes No. 2(Cayman) Limited owed £2,279,624 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £2,095,620).

As at 30 September 2018 Care Homes No.3 Limited owed £16,712,347 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £15,138,810).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2018

7. DEBTORS (Continued)

As at 30 September 2018 Libra CareCo CH2 PropCo Limited owed £41,409,876 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £39,314,825).

As at 30 September 2018 Libra CareCo CH3 PropCo Limited owed £29,138,532 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £27,752,387).

As at 30 September 2018 Libra CareCo Limited owed £108,397,789 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £98,797,551).

As at 30 September 2018 FC Skyfall IOM Properties Limited owed £15,643 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £5,243).

As at 30 September 2018 Libra Investments 1 Limited owed £6,251,035 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £6,251,035).

As at 30 September 2018 Libra Investments 2 Limited owed £5,382 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £5,382).

As at 30 September 2018 NHP Securities No.3 Limited owed £282,090 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £282,090).

As at 30 September 2018 NHP Management Limited owed £5,527,838 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £5,614,567). A provision of doubtful debts of £509,584 has been made against the amount owed as at 30 September 2018 (2017: nil).

As at 30 September 2018 NHP Operations (York) Limited owed £949,994 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £949,994).

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Loan notes due to group undertaking	163,084,558	163,084,558
Amounts owed to group undertakings	158,798,653	145,506,334
Accruals and deferred income	4,000	4,333
	<u>321,887,211</u>	<u>308,595,225</u>

Loan notes due to group undertaking

Since 1997 NHP Limited has transferred proceeds from equity issues in consideration of loan notes to enable the Company to finance asset acquisitions. The loan notes of £140,289,814 have no fixed repayment dates and bear interest at 8.50% per annum (2017: 8.50%). In 2002, following a Rights Issue by NHP Limited, the Company issued a further £32,254,764 of subordinated loan notes, bearing interest at 6.00% per annum, in consideration of a further transfer of funds. These loan notes have no fixed repayment date. An amount of £9,460,020 was repaid in January 2008.

Amounts owed to group undertakings

As at 30 September 2018 the Company owed NHP Securities No.1 Limited £13,227,672 (2017: £13,227,672) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 the Company owed NHP Securities No.2 Limited £1,185,478 (2017: £1,185,478) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 the Company owed NHP Limited £144,385,503 (2017: £131,093,184) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2018

9. CALLED-UP SHARE CAPITAL AND RESERVES

	2018	2017
	£	£
Called-up, allotted and fully paid:		
2 ordinary shares at £1 each	2	2
	<u>2</u>	<u>2</u>

The profit and loss account represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties and net of other adjustments.

10. CONTINGENT LIABILITIES AND GUARANTEES

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's 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 25 January 2019 the outstanding loan amount is £273m.

11. SUBSEQUENT EVENTS

No other significant events are noted between the year ended 30 September 2018 and to the date of signing of this report.

12. RELATED PARTY TRANSACTIONS

The Company has taken exemption provided under FRS 102 to not disclose intercompany transactions with other wholly owned 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.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is NHP Limited, a company incorporated in the United Kingdom and registered in England and Wales. 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 into which these financial statements are consolidated is FC Skyfall Intermediate Holdco Limited with registered office at c/o Trident Trust Company (Cayman) Limited, One Capital Place, Shedden Road, PO Box 847, George Town, Grand Cayman KY-1103.

The smallest 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. The registered address of FC Skyfall Upper Midco Limited is 25 Canada Square, Level 37, London, England, E14 5LQ.

Copies of financial statements of all the companies for the year ended 30 September 2018 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.