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Company Registration No. FC030452

Libra Intermediate Holdco Limited

Report and Financial Statements

30 September 2015

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LIBRA INTERMEDIATE HOLDCO LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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)

SECRETARY

Crestbridge Corporate Services Limited

REGISTERED OFFICE

47 Esplanade
St Helier
Jersey
JE1 0BD

SOLICITORS

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

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

AUDITOR

Deloitte LLP
Chartered Accountants
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, 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 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 2015 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 2015 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 24 March 2016

LIBRA INTERMEDIATE HOLDCO LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2015

| | Notes | Year ended 30 September 2015 £ | Year ended 30 September 2014 £ |
|---|-------|---|---|
| Administrative expenses | | | |
| - on-going | 2 | (2,850) | (3,200) |
| - exceptional | 3 | (710,382) | (5,694,998) |
| Administrative expenses | | (713,232) | (5,698,198) |
| OPERATING LOSS | | (713,232) | (5,698,198) |
| Net interest payable and similar charges | 4 | (3,207,555) | (247,652) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (3,920,787) | (5,945,850) |
| Tax on loss on ordinary activities | 5 | - | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND LOSS FOR THE YEAR | 10 | (3,920,787) | (5,945,850) |

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 2015

| | Notes | 2015 | 2014 |
|--|-------|----------------------|---------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Investments | 6 | 101,377,449 | 5,000,000 |
| CURRENT ASSETS | | | |
| Debtors | 7 | <u>1,875</u> | <u>1,885</u> |
| | | 1,875 | 1,885 |
| CREDITORS: amounts falling due within one year | 8 | <u>(9,607,917)</u> | <u>(11,421,805)</u> |
| NET CURRENT LIABILITIES | | <u>(9,606,042)</u> | <u>(11,419,920)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 91,771,407 | (6,419,920) |
| CREDITORS: amounts falling due after more than one year | 9 | <u>(102,112,114)</u> | <u>-</u> |
| NET LIABILITIES | | <u>(10,340,707)</u> | <u>(6,419,920)</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 10 | 10 | 10 |
| Profit and loss account | 11 | <u>(10,340,717)</u> | <u>(6,419,930)</u> |
| SHAREHOLDERS' DEFICIT | 12 | <u>(10,340,707)</u> | <u>(6,419,920)</u> |

These financial statements were approved and authorised for issue by the Board of Directors on 24 March 2016. 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 2015

1 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 2009. 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 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.

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 of FC Skyfall Upper Midco Limited, which are publicly available.

LIBRA INTERMEDIATE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2015

2. 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 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.

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 (2014 £2,000).

3. EXCEPTIONAL COSTS

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

| | Year ended 30 September 2015 £ | Year ended 30 September 2014 £ |
|----------------------------------|---|---|
| Restructuring costs and expenses | 710,382 | 5,694,998 |

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

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

| | Year ended 30 September 2015 £ | Year ended 30 September 2014 £ |
|--|---|---|
| Interest payable to group undertakings | (3,207,555) | 247,652 |

5. TAX ON LOSS ON ORDINARY ACTIVITIES

| | Year ended 30 September 2015 £ | Year ended 30 September 2014 £ |
|--|---|---|
| Corporation tax charge | - | - |
| Loss before tax | (3,920,787) | (5,945,850) |
| Tax on loss at standard rate of 20.5% (2014 22%) | (803,708) | (1,308,087) |
| Factors affecting charge | | |
| Increase in losses carried forward | 658,089 | 55,187 |
| Expenses not deductible for tax purposes | 145,619 | - |
| Non-deductible provisions | - | 1,252,900 |
| | - | - |

LIBRA INTERMEDIATE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2015

6. INVESTMENTS

Investment in subsidiary undertaking:

| | 2015 £ | 2014 £ |
|-------------------------|-------------|-----------|
| Cost | | |
| At 1 October 2014 | 5,000,000 | 5,000,000 |
| Additions | 96,377,449 | - |
| | 101,377,449 | 5,000,000 |
| Provision | | |
| At 1 October 2014 | - | - |
| Write back of provision | - | - |
| | - | - |
| At 30 September 2015 | - | - |
| Net book value | | |
| At 30 September | 101,377,449 | 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. On 29 January 2015 the Company made a contribution to HC-One for £96,377,449. The principal activity of HC-One Limited is a care home operator.

7. DEBTORS

| | 2015 £ | 2014 £ |
|-----------------------------------|-----------|-----------|
| Amount due within one year | | |
| Amount due from group undertaking | - | 10 |
| Prepayments | 1,875 | 1,875 |
| | 1,875 | 1,885 |
| | 1,875 | 1,885 |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|---|-----------|------------|
| Loan notes due to group undertakings | - | 5,486,040 |
| Loan interest due to group undertakings | 3,189,054 | 230,124 |
| Other amount due to group undertakings | 6,418,863 | 5,705,641 |
| | 9,607,917 | 11,421,805 |
| | 9,607,917 | 11,421,805 |

LIBRA INTERMEDIATE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 | 2014 |
|--------------------------------------|---------------|------|
| | £ | £ |
| Loan notes due to group undertakings | (102,112,114) | - |
| | (102,114,114) | - |
| | (102,114,114) | - |

At 30 September 2015 total loan of £21,204,810 (2014 £1,086,321 (see note 8)) was issued to Care Homes No 1 Limited, a group undertaking to enable the Company to make capital contribution to HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. The loan note has been transferred from note 8 "Creditors amounts falling due within one year"

At 30 September 2015 total loan of £40,840,623 (2014 £2,453,310 (see note 8)) was issued to Care Homes No 2 (Cayman) Limited, a group undertaking to enable the Company to make capital contribution to HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. The loan note has been transferred from note 8 "Creditors amounts falling due within one year"

At 30 September 2015 total loan of £39,791,457 (2014 £1,946,409 (see note)) was issued to Care Homes No 3 Limited, a group undertaking to enable the Company to make capital contribution to HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. The loan note has been transferred from note 8 "Creditors amounts falling due within one year"

At 30 September 2015 total loan of £275,224 (2014 £nil (see note 8)) was issued to NHP Operations (York) Limited, a group undertaking to enable the Company to make capital contribution to HC-One Limited, a group undertaking. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum. The loan note has been transferred from note 8 "Creditors amounts falling due within one year"

10. CALLED UP SHARE CAPITAL

| | 2015 | 2014 |
|--|------|------|
| | £ | £ |
| Called up, allotted and fully paid: | | |
| 10 Ordinary shares of £1 each | 10 | 10 |
| | 10 | 10 |
| | 10 | 10 |

11. PROFIT AND LOSS ACCOUNT

| | £ |
|----------------------|--------------|
| At 1 October 2014 | (6,419,930) |
| Loss for the year | (3,920,787) |
| | (10,340,717) |
| At 30 September 2015 | (10,340,717) |

LIBRA INTERMEDIATE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2015

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

| | 2015 £ | 2014 £ |
|--|---------------------|--------------------|
| Loss for the year | (3,920,787) | (5,945,850) |
| Net increase in shareholders' deficit | (3,920,787) | (5,945,850) |
| Shareholders' deficit at the beginning of the year | (6,419,920) | (474,070) |
| Shareholders' deficit at the end of the year | <u>(10,340,707)</u> | <u>(6,419,920)</u> |

13. PROVISIONS FOR LIABILITIES AND CHARGES

| | 2015 £ | 2014 £ |
|------------------------|------------------|-----------------|
| Deferred taxation | | |
| Losses carried forward | <u>(787,068)</u> | <u>(94,816)</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.

14. 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.

15. RELATED PARTY TRANSACTIONS

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

16. POST BALANCE SHEET EVENTS

No post balance sheet event is noted.

17. ULTIMATE PARENT UNDERTAKINGS

At 30 September 2015 the immediate parent company of the Company is NHP Holdco 1 Limited, a company incorporated in the Cayman Islands.

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.