

100761/180

LIBRA CARECO SUPERHOLDCO LIMITED
Report and Financial Statements
Year ended 30 September 2009

SATURDAY



A03 *AMHA2KLU* 364
05/06/2010
COMPANIES HOUSE

LIBRA CARECO SUPERHOLDCO LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Officers and professional advisers	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

LIBRA CARECO SUPERHOLDCO LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M J M Jensen
P H Thompson

SECRETARY

Dominion Corporate Services Limited

REGISTERED OFFICE

c/o Maples Corporate Services Limited
P O Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

AUDITORS

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing these financial statements, the Directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed, and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 1985 applicable for 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.

LIBRA CARECO SUPERHOLDCO LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LIBRA CARECO SUPERHOLDCO LIMITED

We have audited the financial statements of Libra CareCo SuperholdCo Limited for the year ended 30 September 2009, which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 236 of the Companies Act 1985 applicable for overseas companies. 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 auditors' 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 auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 applicable for overseas companies.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2009 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985 applicable for overseas companies.

LIBRA CARECO SUPERHOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBRA CARECO SUPERHOLDCO LIMITED (Continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern

The Group is in breach of the financial covenants in its loan agreement (as described in note 1) The Directors are in discussion with Capita Asset Services (UK) Limited (formerly 'Capmark Services UK Limited') regarding a resolution of the breach However, the outcome of these discussions and the timing of their conclusion are uncertain

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



Deloitte LLP
Chartered Accountants and Registered Auditors
London
Date 11 February 2010

LIBRA CARECO SUPERHOLDCO LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 September 2009

	Notes	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Administrative expenses	3	(4,039)	(3,749)
Amounts written off investments	5	-	(2,077)
OPERATING LOSS		(4,039)	(5,826)
LOSS BEFORE TAXATION		(4,039)	(5,826)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	10	(4,039)	(5,826)

Results are derived wholly from continuing operations

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

LIBRA CARECO SUPERHOLDCO LIMITED

BALANCE SHEET
At 30 September 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Investments	5		-		-
CURRENT ASSETS					
Debtors	6	1,357		1,460	
CREDITORS: amounts falling due within one year	7	<u>(3,775,243)</u>		<u>(3,771,307)</u>	
NET CURRENT LIABILITIES			<u>(3,773,886)</u>		<u>(3,769,847)</u>
NET LIABILITIES			<u>(3,773,886)</u>		<u>(3,769,847)</u>
CAPITAL AND RESERVES					
Called up share capital	9		2,076		2,076
Profit and loss account	10		<u>(3,775,962)</u>		<u>(3,771,923)</u>
SHAREHOLDERS' DEFICIT	11		<u>(3,773,886)</u>		<u>(3,769,847)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 11 February 2010

Signed on behalf of the Board of Directors



J M J M Jensen
Director



P H Thompson
Director

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

1. GOING CONCERN

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

As at 30 September 2009, Libra No 2 Limited (the Company's intermediate parent undertaking) (the "Mezzanine Borrower") had a term loan of £70 million (the "Mezzanine Loan") and Libra No 3 Limited (a subsidiary of the Mezzanine Borrower) (the "Senior Borrower") had a term loan of £1,172 million (the "Senior Loan") secured on the investment properties and freehold land and buildings (the "Portfolio") of the Mezzanine Borrower and its subsidiaries (the "Group") As at 10 February 2010, the loan amounts remain outstanding The original final maturity date of the Senior Loan was 15 January 2009 and of the Mezzanine Loan was 15 February 2009 (each, the "original final maturity date"), with an option to extend these loans to 15 January 2010 and 15 February 2010 respectively (each, the "final maturity date"), in each case provided (among other things) that no default was outstanding at the original final maturity date

However, a fall in property values in the period to 30 September 2008 and a further fall in the period to 15 December 2008 resulted in the breach of, among other things, the loan to value ('LTV') financial covenant with respect to the Senior Loan (resulting in an automatic cross-default with respect to the Mezzanine Loan) As a result, the Group was not in a position to extend the loans to the final maturity date Other breaches of the terms of the loan documents, chiefly concerning information covenants, also resulted in defaults with respect to the Senior Loan and the Mezzanine Loan

Under the terms of the respective loan documents, the Senior Borrower was required to make repayment of the Senior Loan on 15 January 2009 and the Mezzanine Borrower was required to make repayment of the Mezzanine Loan on 15 February 2009 These repayments were not made As a result, the respective borrowers have become liable for an additional 2% default interest with respect to the overdue amounts The default interest amounts have contributed to a breach of the interest cover ratio ('ICR') financial covenant in relation to the Senior Loan (resulting in an automatic cross-default with respect to the Mezzanine Loan)

Since 28 November 2008 the Directors of the Company have been in ongoing discussions with Capita Asset Services (UK) Limited ("Capita") (formerly Capmark Services UK Limited), the special servicer to the Senior Loan under the securitisation structure (which operates on a back-to-back basis with the Senior Loan) and have entered into a series of standstill agreements which suspend the rights of the creditors with respect to the Senior Loan and the Mezzanine Loan to enforce their rights under the loan documents and related security On 14 January 2010 a further standstill agreement was put in place, expiring 14 April 2010

As at 30 September 2009, the Directors were advised by their valuers, King Sturge LLP, that the appropriate yield for the Portfolio was 8.34%, and the value of the Portfolio was £849.65 million after costs of 1.75%, valued on the basis of the properties being sold as a business The LTV ratio at that time was 150.55% Due to a continued fall in property values and the default interest charges, the Group was in a net liability position of £579.86 million as at 30 September 2009

In late 2009 Capita engaged King Sturge LLP with a view to obtaining an updated property valuation According to this valuation, as at 23 December 2009 the appropriate yield for the Group's portfolio was 8%, and the value of the portfolio had improved by £36.57 million to £886.22 million after costs of 1.75%, valued on the basis of the properties being sold as a business As of 15 January 2010 the LTV ratio is 143.59%

In order for the Group to continue to trade as a going concern, the Directors of each of the entities in the Group need to be satisfied that they will continue to be able to meet their operating costs and expenses as they fall due The Directors have prepared cash flow forecasts covering the period to 28 February 2011 which indicate that there is a shortfall in the operational cash flow of the Company during that period The cash flow forecasts also indicate that the ICR test will continue not to be met throughout the testing period

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

1. GOING CONCERN (Continued)

Since January 2009, the Directors have been relying on a confirmation from Capita that for so long as discussions with respect to a potential reorganisation of the affairs of the Group and a restructuring of its debt obligations (the "Potential Restructuring") are continuing, and on the understanding that such funds shall not be applied in contravention of the terms relating to the Senior Loan, it is the intention of the creditors with respect to the Senior Loan to provide the Group with the funds it requires to make payments falling due as a consequence of the Group carrying on its business (including, without limitation, (a) day to day operating costs and expenses, (b) restructuring costs, and (c) other exceptional costs incurred in relation to the Potential Restructuring) from the Senior Borrower's cash reserve account within a reasonable time upon request

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

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

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with accounting standards applicable in the United Kingdom. The particular accounting policies adopted are described below. They have been applied consistently throughout the year and the preceding year

Exemption from consolidation

The Company is itself a subsidiary undertaking and is exempt from the requirement to prepare group accounts by virtue of section 228A of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. All monetary assets and liabilities in foreign currencies are expressed in sterling at the year end rates. Gains and losses arising from the movements in exchange rates during the period are dealt with in the profit and loss account

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

2. ACCOUNTING POLICIES (Continued)

Investments

Fixed asset investments are stated at cost less provision for impairment

Cash flow statement

The directors have elected to take advantage of the exemption under FRS 1 not to prepare a cash flow statement as the financial statements of the ultimate parent company contain a consolidated cash flow statement

3. ADMINISTRATIVE EXPENSES

The Company had no employees during the current or preceding year

None of the Directors at year end received emoluments from the Company in the current or preceding year

The audit fees of £1,000 for the current and preceding year have been borne by NHP Management Limited, a group undertaking

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Corporation tax	-	-
Loss before tax	(4,039)	(5,826)
Tax on loss at standard rate of 28% (2008 29%)	(1,131)	(1,690)
Factors affecting tax charge		
Non-deductible expenditure	-	6
Impairment of investments	-	603
Increase in loss carried forward	1,131	1,081
Current tax charge	-	-

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

5. INVESTMENTS

	£
Cost	
At 1 October 2008 and 30 September 2009	2,077
Provision	
At 1 October 2008	(2,077)
Provision for the year	-
At 30 September 2009	(2,077)
Net book value:	
At 30 September 2009	-
At 30 September 2008	-

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

5. INVESTMENTS (Continued)

At 30 September 2009, the Company held investments either directly or indirectly in the following principal subsidiary undertakings

Name	Country of incorporation	% Holding	Principal activity
Libra CareCo TopCo Limited*	Cayman Islands	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo Equity Co Limited	Cayman Islands	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Holdco Limited	Great Britain	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Limited	Great Britain	100%	Investment in care home properties
Libra CareCo CH3 PropCo Holdco Limited*	Great Britain	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH3 PropCo Limited	Great Britain	100%	Investment in care home properties
Libra CareCo Holdings Limited	Great Britain	98.4%	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 1 Limited	Great Britain	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 2 Limited	Great Britain	100%	Investment company in group undertaking with investment in care home properties
Libra GuaranteeCo Limited	Great Britain	100%	Parent company of subsidiary undertakings with investment in care home properties
Libra CareCo Limited	Great Britain	100%	Parent company of subsidiary undertakings with investment in care home properties
NHP Limited	Great Britain	100%	Investment in care home properties
NHP Securities No 1 Limited	Great Britain	100%	Investment in care home properties
NHP Securities No 2 Limited	Great Britain	100%	Investment in care home properties
NHP Securities No 3 Limited	Great Britain	100%	Investment in care home properties
NHP Securities No 4 Limited	Great Britain	100%	Partner in LLNHP Partnership
NHP Securities No 5 Limited	Jersey	100%	Investment in care home properties
NHP Securities No 6 Limited	Great Britain	100%	Investment in care home properties
NHP Securities No 8 Limited	Jersey	100%	Investment in care homes properties
NHP Securities No 9 Limited	Jersey	100%	Investment in overriding leases of care home Properties
NHP Securities No 10 Limited	Jersey	100%	Investment in overriding leases of care home Properties
NHP Securities No 11 Limited	Jersey	100%	Parent company of NHP Securities No 9 Limited
NHP Securities No 12 Limited	Jersey	100%	Investment in overriding leases of care home Properties
NHP Management Limited	Great Britain	100%	Management of care home property portfolios
NHP Operations (York) Limited	Great Britain	100%	Care home property development
Care Homes No 1 Limited	Cayman Islands	100%	Investment in care homes properties
Care Homes No 2 (Cayman) Limited	Cayman Islands	100%	Investment in care homes properties
Care Homes No 3 Limited	Cayman Islands	100%	Investment in care homes properties
LLNH Limited	Great Britain	100%	Partner in LLNHP Partnership
Ultima Holdings Limited	Great Britain	100%	Immediate parent company of Ultima Group undertakings
Ultima Healthcare Limited	Great Britain	100%	Care home operator
Eton Hall Homes Limited	Great Britain	100%	Care home operator
Ultima Care Limited	Great Britain	100%	Care home operator
Platinum Healthcare Limited	Great Britain	100%	Care home operator

* shares directly held by Libra CareCo Superholdco Limited
All shares held are ordinary shares

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

6. DEBTORS

	2009	2008
	£	£
Prepayments	1,357	1,460
	<u>1,357</u>	<u>1,460</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Amounts due to group undertakings	3,775,243	3,771,307
	<u>3,775,243</u>	<u>3,771,307</u>

Amounts due to group undertakings are due on demand bearing no interest

8 DEFERRED TAXATION

	Provided		Unprovided	
	2009	2008	2009	2008
	£000	£000	£000	£000
Losses carried forward	-	-	(2,933)	(1,802)
	<u>-</u>	<u>-</u>	<u>(2,933)</u>	<u>(1,802)</u>

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

9. SHARE CAPITAL

	2009	2008
	£	£
Authorised:		
2,500,000 ordinary shares at £0.01 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
Called up, allotted and fully paid:		
207,589 ordinary shares at £0.01 each	2,076	2,076
	<u>2,076</u>	<u>2,076</u>

10. RESERVES

	2009	2008
	£	£
Profit and loss account		
At 30 September	(3,771,923)	(3,766,097)
Retained loss for the year	(4,039)	(5,826)
	<u>(3,775,962)</u>	<u>(3,771,923)</u>

LIBRA CARECO SUPERHOLDCO LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2009

11. MOVEMENT IN SHAREHOLDERS' DEFICIT

	2009	2008
	£	£
At 30 September	(3,769,847)	(3,764,021)
Retained loss for the year	(4,039)	(5,826)
	<hr/>	<hr/>
At 30 September	<u>(3,773,886)</u>	<u>(3,769,847)</u>

12. CONTINGENT LIABILITIES AND GUARANTEES

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

13. RELATED PARTY TRANSACTIONS

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

14. POST BALANCE SHEET EVENT

On 20 October 2009 a standstill agreement was put in place until 14 January 2010, later extended to 14 April 2010 which suspends the ability of Capita Asset Services (UK) Limited (formerly 'Capmark Services UK Limited'), the loan servicer to exercise its rights in relation to certain specified events of default. Also, it allows the Company time to negotiate a solution to the problem of the breached covenants without threat of foreclosure. See further details in note 1 to the financial statements.

15. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The immediate parent undertaking is Libra No 3 Limited, a company incorporated in the Cayman Islands.

In the opinion of the Directors, the ultimate and parent undertaking is Delta Commercial Property LP, a limited partnership incorporated and registered in the Isle of Man.

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

Copies of the Libra No 2 Limited group consolidated financial statements to 30 September 2009, which include the results of the Company, are available from Libra Group at Liberty House, 222 Regent Street, London W1B 5TR.