Company Registration No. 2798607

NHP LIMITED

Report and Financial Statements

30 September 2009

REPORT AND FINANCIAL STATEMENTS 2009

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REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M J M Jensen
P H Thompson

COMPANY SECRETARY

L Pang

REGISTERED OFFICE

Liberty House
222 Regent Street
London
W1B 5TR

BANKERS

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

SOLICITORS

Eversheds LLP
Holland Court
The Close
Norwich NR1 4DX

AUDITORS

Deloitte LLP
Charterted Accountants
London

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30 September 2009

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption

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 Group The Directors intend to continue these activities in the forthcoming year

BUSINESS REVIEW

In the year to 30 September 2009, 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 2009 are set out in the profit and loss account on page 8

DIVIDENDS

During the year, the Company declared and paid dividend of £nil (2008- £145,000,000)

DIRECTORS

The following Directors served throughout the year were

Directors	Date of appointment	Date of resignation
P H Thompson	6 November 2009	-
M J Grant	2 July 2009	6 November 2009
D C Nicholson	-	2 July 2009
J M J M Jensen	19 December 2008	-
P V Taylor	-	19 December 2008

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

As at 30 September 2009, the Group had a term loan of £70 million (the "**Mezzanine Loan**") and a term loan of £1,172 million (the "**Senior Loan**") secured on the Group's investment properties and freehold land and buildings 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

DIRECTORS' REPORT

(Continued)

GOING CONCERN (Continued)

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%

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 the 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 See further details in note 1 to the financial statements

PAYMENTS TO CREDITORS

The Company's policy is to fix payment terms when agreeing the terms of each transaction It is the Company's general policy to pay suppliers in accordance with the agreed terms and conditions provided that the supplier has complied with those terms The creditor days for the Company at 30 September 2009, calculated in accordance with the Companies Act 2006 are 37 (2008 83)

DIRECTORS' REPORT

(Continued)

AUDITORS

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 auditors are 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 auditors are 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 auditors in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

J M J M Jensen
Director
Date 11 February 2010
Liberty House
222 Regent Street
London
W1B 5TR

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 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, and

(c) 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 are sufficient to show and explain the Company's transaction 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 AUDITORS' REPORT

TO THE MEMBERS OF NHP LIMITED

We have audited the financial statements of NHP Limited for the year ended 30 September 2009, which comprise of the profit and loss account, the balance sheet and the related notes 1 to 18 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 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

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 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 (APB'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

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 2009 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 requirements of the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NHP LIMITED (Continued)

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

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

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

Date 11 February 2010

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2009

	Notes	2009 £	2008 £
Administrative expenses	3	(15,945,586)	(236,050,875)
Amount written off investments	8	-	(10,037)
OPERATING LOSS		(15,945,586)	(236,060,912)
Investment Income	4	-	65,000,000
Net interest receivable and similar income	5	14,622,232	14,968,387
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,323,354)	(156,092,525)
Tax charge on loss on ordinary activities	6	-	(51,264)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE YEAR	13	(1,323,354)	(156,143,789)

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 2009

	Notes	2009 £	2009 £	2008 £	2008 £
TANGIBLE FIXED ASSETS					
Freehold reversion investment properties	7		24		24
INVESTMENTS	8		57,780		57,780
TOTAL FIXED ASSETS			57,804		57,804
CURRENT ASSETS					
Debtors	9	956,107		2,397,061	
		956,107		2,397,061	
CREDITORS: amounts falling due within one year	10	(79,034)		(196,634)	
NET CURRENT ASSETS			877,073		2,200,427
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS			934,877		2,258,231
CAPITAL AND RESERVES					
Share capital	12		2,166,141		2,166,141
Share premium account	13		201,246,919		201,246,919
Revenue reserve	13		914,387		914,387
Profit and loss account	13		(203,392,570)		(202,069,216)
SHAREHOLDERS' FUNDS			934,877		2,258,231

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

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

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 under the historical cost convention, in accordance with applicable United Kingdom law and accounting standards The particular accounting policies adopted are described below

The accounting policies have been followed consistently during the current and previous years

Exemption from consolidation

The Company is itself a subsidiary undertaking of Libra No 2 Limited, a company incorporated and registered in the Cayman Islands, and the Company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 These financial statements provide information about the Company as an individual undertaking and not about its group

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, 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

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

2. ACCOUNTING POLICIES

Investments and disposals

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 and are available from the registered office at Liberty House, 222 Regent Street, London W1B 5TR

3. ADMINISTRATIVE EXPENSES

Other administrative expenses

Other administrative expenses include, inter alia

	2009 £	2008 £
Group management fees charged by NHP Management Limited, a group undertaking	35,955	34,876
Provision of doubtful debts – group undertakings	15,841,698	235,967,711
Audit remuneration (including VAT)		
- Company audit fees	9,600	8,600
- tax compliance services	12,000	12,000
- other services*	46,333	19,975

* The Company paid a further amount of £46,333 to the auditors for tax advice on the tax enquiry made by the HM Revenue and Custom for the year ended 30 September 2005

4. INVESTMENT INCOME

	2009 £	2008 £
Dividend received from NHP Securities No 3 Limited, a subsidiary undertaking	-	65,000,000

5. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Interest receivable on loan notes		
Group undertakings	14,601,135	14,785,460
Other interest receivable	21,539	184,412
Finance costs	(442)	(1,485)
	14,622,232	14,968,387

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

6. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Corporation tax credit		
- Current year	-	-
- Prior year	-	-
	-	-
Deferred tax charge	-	(51,264)
Tax charge	-	(51,264)

	2009 £	2008 £
Loss before tax	(1,323,354)	(156,092,525)
Tax on loss at standard rate of 28% (2008 29%)	(370,539)	(45,266,832)
Factors affecting tax charge		
Disallowable expenses	-	2,911
Impairment of investments	4,435,675	68,430,636
Non-taxable income	-	(18,850,000)
Group relief for nil consideration	(4,065,136)	(4,316,715)
Current tax charge	-	-

The tax charge for the current year is higher than that resulting from applying the standard rate of corporation tax principally because certain items of expenditure are not deductible for tax purposes

7. TANGIBLE FIXED ASSETS

Freehold reversions in investment properties

	2009 £	2008 £
Cost at 1 October 2008	24	24
Cost at 30 September 2009	24	24

At 30 September 2009, the Company has investments in freehold investment properties totalling £24 (2008 £24), representing the consideration paid, including VAT, for the freehold reversions to 24 properties (2008 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, a subsidiary undertaking

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

8. INVESTMENTS

Cost	Shares in subsidiary undertakings £	Subordinated loan notes to subsidiary undertakings £	Total £
At 1 October 2008	67,817	178,467,385	178,535,202
Repayment	-	-	-
At 30 September 2009	67,817	178,467,385	178,535,202
Provision			
At 1 October 2008	(10,037)	(178,467,385)	(178,477,422)
Provision for the year	-	-	-
At 30 September 2009	(10,037)	(178,467,385)	(178,477,422)
Net book value			
At 30 September 2009	57,780	-	57,780
At 30 September 2008	57,780	-	57,780

Shares in subsidiary undertakings

At 30 September 2009, the Company held investments in the following principal subsidiary undertakings

Name	Country of incorporation	% Holdings	Principal activity
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%	Partner in LLNHP Partnership
NHP Securities No 4 Limited*	Great Britain	100%	Investment in care home properties
NHP Securities No 6 Limited*	Great Britain	100%	Investment in overriding leases of care home properties
NHP Securities No 9 Limited	Jersey	100%	Parent company of NHP Securities No 9 Limited
NHP Securities No 11 Limited*	Jersey	100%	Management of care home property portfolios
NHP Management Limited*	Great Britain	100%	Care home property development
NHP Operations (York) Limited*	Great Britain	100%	Partner in LLHNP Partnership
LLNH Limited*	Great Britain	100%	Investment in care homes properties
Care Homes No 1 Limited	Cayman Islands	100%	Immediate parent company of Ultima Group undertakings
Ultima Holdings Limited	Great Britain	100%	Care home operator
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%	

* held directly by NHP Limited

All shares held are ordinary shares

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

8. INVESTMENTS (Continued)

Subordinated loan notes to subsidiary undertakings

Loan notes of £11,143,900 were issued to 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 issued to NHP Securities No 2 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 £140,289,815 were issued to 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 issued to 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 issued to 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 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

9. DEBTORS

	2009 £	2008 £
Corporation tax debtor	956,107	2,212,649
Sundry Debtors	-	184,412
	956,107	2,397,061

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts due to group undertakings	13,092	164,659
Other creditors	39,242	19,975
Accruals and deferred income	26,700	12,000
	79,034	196,634

Amounts due to group undertakings have no repayment date and are due on demand bearing no interest

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

11. DEFERRED TAXATION

	Provided		Unprovided	
	2009	2008	2009	2008
	£	£	£	£
Accelerated capital allowances	-	-	(68,360)	(68,360)

A deferred tax asset has not been recognised on accelerated capital allowances, as it is considered more likely than not that there will be insufficient taxable profits in the future against which the capital allowances may be utilised

12. SHARE CAPITAL

		2009		2008
	Number	£	Number	£
Authorised:				
Ordinary shares at 1p each	370,000,000	3,700,000	370,000,000	3,700,000
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

There was no share issued during the year

13 RESERVES

	Share Premium Account £	Revenue Reserve £	Profit and Loss Account £
At 1 October 2008	201,246,919	914,387	(202,069,216)
Loss for the year	-	-	(1,323,354)
At 30 September 2009	201,246,919	914,387	(203,392,570)

14. MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Loss for the year	(1,323,354)	(156,143,789)
Dividend paid to equity holders	-	(145,000,000)
Decrease in shareholders' funds	(1,323,354)	(301,143,789)
Shareholders' funds at the beginning of the year	2,258,231	303,402,020
Shareholders' funds at the end of the year	934,877	2,258,231

NOTES TO THE ACCOUNTS
Year ended 30 September 2009

15. 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

16 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

17. 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

18. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The immediate parent undertaking is Libra CareCo Limited, a company incorporated in Great Britain and registered in England and Wales

As of 12 December 2006 the new 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