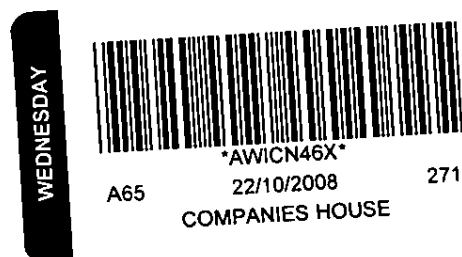


Company Registration No. 04611037

NHP OPERATIONS (YORK) LIMITED

Report and Financial Statements

30 September 2007



NHP OPERATIONS (YORK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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NHP OPERATIONS (YORK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P V Taylor
D C Nicholson

SECRETARY

R Mortimer

REGISTERED OFFICE

25 Hanover Square,
London,
W1S 1JF

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 & Touche LLP
Chartered Accountants
London

DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the year ended 30 September 2007

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

PRINCIPAL ACTIVITY

The principal activity of the group is specialising in the purchase and leaseback of modern purpose-built care homes to care home operators

The continuing principal activity of the Company is the receipt of monthly operating rental income from care home operators

BUSINESS REVIEW

On 12 December 2006 Delta G-Co Limited and Starsign Limited, both incorporated and registered in the Isle of Man, jointly acquired 100% of the issued share capital of Libra No 2 Limited from the ultimate subsidiary undertakings of The Royal Bank of Scotland plc, Primemodern Limited and Libra No 1 Limited

The ultimate parent undertaking of Delta G-Co Limited and Starsign Limited is Delta Commercial Property LP, a limited partnership incorporated in the Isle of Man

RESULTS

The results for the year to 30 September 2007 are set out in the profit and loss account on page 7

DIVIDENDS

No dividends in respect of the year are proposed (2006 - £nil)

DIRECTORS

The following Directors and Secretary served throughout the year except as noted

		<u>Date Appointed</u>	<u>Date Resigned</u>
P V Taylor	Executive Director	12 December 2006	-
R N Midmer	Executive Director	12 December 2006	28 June 2007
D C Nicholson	Executive Director	28 June 2007	-
P Aubery	Executive Director	3 March 2006	12 December 2006
T V Castledine	Executive Director	3 March 2006	12 December 2006
S B Eighteen	Executive Director	3 March 2006	12 December 2006
A C Farnell	Executive Director	3 March 2006	12 December 2006
N S Moy	Executive Director	3 March 2006	12 December 2006

The current Directors of the Company are detailed on page 1

No Director has, or had, any interests in the shares of the Company No Director holds a service contract with the Company and there is no Company share option scheme in existence

None of the Directors has had any interests in the shares of the new ultimate parent company, Delta Commercial Property LP

The Company had 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

DIRECTORS' REPORT (Continued)

DEBT REFINANCING AND GOING CONCERN

At 30 September 2007, the Group had a bank loan of £1,172,000,000 secured on the Group's investment properties and freehold land and buildings. At 16 October 2008, the loan amounts remains outstanding. The maturity date of the loan is on 15 January 2009 (the original final maturity date) with an option to extend the loan to 15 January 2010 provided no default is outstanding at the original final maturity date. The breach of the covenant crystallises the loan on 15 January 2009. The failure to comply with these covenants has resulted in a default in the £70 million term loan facility.

The LTV test of 92.7% was met as at 30 September 2007, however, property values have fallen since that date and the Directors of the Company, who are also the directors of Libra No. 3 Limited, a group undertakings and also the borrower to the bank loan, have been advised by their valuers, King Sturge, that they consider that as at 16 October 2008 the appropriate yield for the Group's property portfolio is 7.42%, and the value of the portfolio is c. £930,000,000 after costs of 1.75%, on the basis of the properties being sold as a business, resulting in an LTV ratio of 126%.

As a result of this, and because of two other minor breaches (see note 1), which unless waived will mean that the loan will not be extended, the Directors have initiated discussions with Capmark Services UK Limited ('Capmark') as Servicer under the securitisation structure which operates alongside the bank loan. The Directors have offered to cooperate with Capmark to achieve a sensible negotiated reorganisation of the Group's affairs and a restructuring of its debts. Capmark has indicated that it is willing to consider a reorganisation and debt restructuring and has agreed to work with the Group towards a standstill agreement to allow the parties time to put these into effect. This is in the process of being negotiated. Given these circumstances, the Directors do not currently believe there is a risk that the Company will go into insolvent liquidation, although this could change if these negotiations were to fail. Given the above, there is a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern, and, therefore, that it 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 Company (specifically amounts due from group undertakings) would be written down to their recoverable value, provision made for any further liabilities that may arise and to reclassify non current assets and liabilities as current assets and liabilities. The financial statements do not include any adjustments that would result from the withdrawal of support from the Company's parent. At this time it is not practicable to quantify such adjustments. See further details in note 1 to the financial statements.

AUDITORS

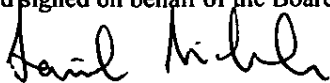
In the case of each of the persons who are Directors of the Company at the date when this report is approved

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) 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 to make themselves aware of any relevant audit information (as defined) 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 s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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



D C Nicholson
Director
Date 17 October 2008

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, subject to any material departures disclosed and explained in the financial statements, 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 OPERATIONS (YORK) LIMITED**

We have audited the financial statements of NHP Operations (York) Limited for the year ended 30 September 2007, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the note of historical cost profits and losses 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 235 of the Companies Act 1985. 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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NHP OPERATIONS (YORK) LIMITED (Continued)

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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Emphasis of matter – Going concern

Without qualifying our opinion, we draw attention to the disclosures made in note 1 of the financial statements concerning the Group's ability to continue as a going concern

The Company is a guarantor for a loan agreement entered into by another group company. The group is in breach of the financial covenants in its loan agreement (as described in note 1). The Directors are in discussions with Capmark Services UK Limited regarding a resolution of the breach. However, the outcome of these discussions and the timing of their conclusion is uncertain.

These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors have prepared the financial statements on the going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern as it is not practicable to determine or quantify them.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

United Kingdom

Date 17 October 2008

NHP OPERATIONS (YORK) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 September 2007

	Notes	2007 £	2006 £
TURNOVER AND GROSS PROFIT	2	329,456	162,892
Administrative expenses	3	(4,325)	-
OPERATING PROFIT		325,131	162,892
Net interest payable and similar charges	4	(320,383)	(163,294)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,748	(402)
Tax on profit / (loss) on ordinary activities	5	-	-
Profit/ (loss) on ordinary activities after taxation and retained profit / (loss) for the financial year	12	4,748	(402)

Turnover and operating profit are wholly derived from continuing operations

NHP OPERATIONS (YORK) LIMITED

BALANCE SHEET 30 September 2007

	Notes	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	6		6,300,000		5,849,662
TOTAL FIXED ASSETS			<u>6,300,000</u>		<u>5,849,662</u>
CURRENT ASSETS					
Debtors	7	220,325		-	
CREDITORS: amounts falling due within one year	8	(892,982)		(728,526)	
NET CURRENT LIABILITIES			<u>(672,657)</u>		<u>(728,526)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,627,343		5,121,136
CREDITORS: amount falling due more than one year	9		<u>(3,474,887)</u>		<u>(3,466,351)</u>
NET ASSETS			<u>2,152,456</u>		<u>1,654,785</u>
CAPITAL AND RESERVES					
Called up share capital	11		7,779		7,779
Revaluation reserve	12		2,140,331		1,647,408
Profit and loss account	12		4,346		(402)
SHAREHOLDERS' FUNDS			<u>2,152,456</u>		<u>1,654,785</u>

The financial statements were approved and authorised for issue by the Board of Directors on 17 October 2008

Signed on behalf of the Board of Directors



D C Nicholson
Director

NHP OPERATIONS (YORK) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 September 2007

	Notes	2007 £	2006 £
Profit/(loss) for the year	12	4,748	(402)
Surplus on revaluation of property	12	492,923	1,647,408
Total recognised gains and losses for the year		<u>497,671</u>	<u>1,647,006</u>

RECONCILIATION OF SHAREHOLDERS' FUNDS

Year ended 30 September 2007

	Notes	2007 £	2006 £
Profit/(loss) for the year	12	4,748	(402)
Surplus on revaluation of property	12	492,923	1,647,408
Net increase in shareholders' funds		<u>497,671</u>	<u>1,647,006</u>
Shareholders' funds at the beginning of the year		1,654,785	7,779
Shareholders' funds at the end of the year		<u>2,152,456</u>	<u>1,654,785</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 30 September 2007

	2007 £	2006 £
Profit/ (loss) on ordinary activities before taxation	4,748	(402)
Realisation of net valuation gains on disposal of property interests	492,923	1,647,408
Historical cost profit on ordinary activities before taxation	<u>497,671</u>	<u>1,647,006</u>
Historical cost profit retained for the year	<u>497,671</u>	<u>1,647,006</u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2007

1. ACCOUNTING POLICIES

Basis of accounting – Going concern

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

At 30 September 2007, the Group had a bank loan of £1,172,000,000 secured on the Group's investment properties and freehold land and buildings. At 16 October 2008, the loan amount remains outstanding. Libra No 2 Limited, the Company's ultimate parent company declared a dividend on 27 November 2007 of £89,035,586 with the result that the Group is now in a net liability position. Under the terms of its bank loan, the Group has to comply with a number of financial covenants, of which the two most material are a Loan to Value ('LTV') covenant and an Interest Cover Ratio ('ICR') covenant. The failure to comply with these covenants has resulted in a default in the £70 million term loan facility.

The Directors of the Company, who are also the directors of Libra No 3 Limited, a group undertaking and also the borrower to the bank loan, have prepared cash flow forecasts throughout the life of the loan until the last covenant testing date, which is 15 October 2009, which show that the Group can meet its day to day cash needs including the payment of loan interest, even though the ICR covenant is not met towards the end of the testing period.

The Directors have also considered the LTV test, and note that this had been met as at 30 September 2007. However, property values have fallen since that date and the Directors have been advised by their valuers, King Sturge, that they consider that as at 16 October 2008 the appropriate yield for the Group's property portfolio is 7.42%, and the value of the portfolio is c. £931,000,000 after costs of 1.75%, on the basis of the properties being sold as a business, resulting in an LTV ratio of 126%.

This breaches the LTV covenant which is set at 92.7%, and Libra No 3 Limited will not therefore be in a position to extend the loan as at 15 January 2009 unless this breach, and two other minor breaches which remain unremedied, are waived. The two minor breaches include the change of accounting reference date for the subsidiaries incorporated in the United Kingdom and the non-delivery of the audited financial statements within 150 days from the accounting period end. The effect of the breach is that the loan becomes immediately repayable as at 15 January 2009.

The Directors of the Company have initiated discussions with Capmark Services UK Limited ('Capmark') as Servicer under the securitisation structure which operates alongside the bank loan and have offered to cooperate with it to achieve a sensible negotiated reorganisation of the Group's affairs and a restructuring of its debts. Capmark has indicated that it is willing to consider a reorganisation and debt restructuring and has agreed to work with the Group towards a standstill agreement to allow the parties time to put these into effect. This is in the process of being negotiated. Given these circumstances, the Directors do not currently believe there is a risk that the Company will go into insolvent liquidation, although this could change if these negotiations were to fail. Given the above, there is a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern, and, therefore, that it 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 Company (specifically amounts due from group undertakings) would be written down to their recoverable value, provision made for any further liabilities that may arise and to reclassify non-current assets and liabilities as current assets and liabilities. The financial statements do not include any adjustments that would result from the withdrawal of support from the Company's parent. At this time it is not practicable to quantify such adjustments.

Except as noted above, the financial statements are prepared under the historical cost convention, as modified by the revaluation of investment property, and in accordance with all applicable United Kingdom law and accounting standards. A summary of principal accounting policies, all of which have been applied consistently during the year, is set out below.

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

1. ACCOUNTING POLICIES (Continued)

Turnover

Turnover comprises the rental income earned from the Company's ordinary activities which take place wholly within the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than investment properties and freehold land at rates calculated to write off the cost or valuation of each asset on a straight line basis over the expected useful life of the asset.

Investment property

The cost of investment property is the purchase cost of land and the total costs of construction. Investment property represents freehold property held for long term retention. In accordance with SSAP No 19 'Accounting for Investment Properties', this investment property is valued by the qualified external valuers, (by the Directors in previous year) on a portfolio basis at Market Value in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. The aggregate revaluation surplus or deficit is transferred to the revaluation reserve whilst any permanent diminution in value is charged to the profit and loss account.

In accordance with SSAP No 19, no depreciation is provided in respect of investment properties. Under the terms of the lease, freehold property is required to be maintained to a high standard by its tenant.

The fact that no depreciation is provided in respect of the investment properties is a departure from the requirements of the Companies Act 1985, which requires all fixed assets to be depreciated over their effective useful lives. However, such property is not held for consumption, but for investment, and the Directors consider that systematic depreciation would be inappropriate and would not give a true and fair view. The accounting policy adopted and departure from the Companies Act 1985 is therefore necessary for the accounts to give a true and fair view. Depreciation is one of the factors reflected in the annual revaluation and amounts which might otherwise have been charged cannot be separately identified or quantified.

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.

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 Libra No 2 Limited, (previously within "Libra CareCo Offshore Superholdco Limited")

NOTES TO THE ACCOUNTS

Year ended 30 September 2007

2. TURNOVER AND GROSS PROFIT

Turnover comprises the following earned from the Company's ordinary activities, which take place wholly within the United Kingdom

	2007	2006
	£	£
Principal base rent	329,060	162,500
Other commission	396	392
	<u>329,456</u>	<u>162,892</u>

3. ADMINISTRATIVE EXPENSES

The Company had no employees during the current or preceding year

None of the Directors received emoluments directly from the Company during the current or preceding year

Administrative fees include

	2007	2006
	£	£
Audit fee for the audit of the Company's annual accounts	3,427	-
	<u>3,427</u>	<u>-</u>

Audit fees of £2,000 in the preceding year have been borne by NHP Management Limited, a group undertaking.

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Loan note interest payable to group undertakings	320,333	163,241
Interest payable - other	-	7
Bank charges	50	46
	<u>320,383</u>	<u>163,294</u>

5. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2007	2006
	£	£
Total current tax	<u>-</u>	<u>-</u>
Profit/(loss) before tax	<u>4,748</u>	<u>(402)</u>
Tax on profit/ (loss) at standard rate of 30% (2006 30%)	(1,424)	121
Factors affecting tax charge		
Capital allowances in excess of depreciation	-	23,625
Increase in losses carried forward	1,424	(23,746)
Current tax charge	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

6. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Investment property £</u>
At 1 October 2006	5,849,662
Disposal	(42,585)
Surplus on revaluation	492,923
	<hr/>
At 30 September 2007	6,300,000
	<hr/>

Investment property represents property held for long term retention. Investment properties have been valued by King Sturge LLP, International Property Adviser, at 30 September 2007 (2006 by the Directors) on the basis of Market Value on a portfolio basis in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

7. DEBTORS

	<u>2007 £</u>	<u>2006 £</u>
Amount owed by group undertakings	220,325	-
	<hr/>	<hr/>
	220,325	-
	<hr/>	<hr/>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2007 £</u>	<u>2006 £</u>
Other creditors	42,244	284,828
Amounts owed to group undertakings	850,738	443,698
	<hr/>	<hr/>
	892,982	728,526
	<hr/>	<hr/>

9. CREDITORS: AMOUNT FALLING DUE MORE THAN ONE YEAR

	<u>2007 £</u>	<u>2006 £</u>
Loan notes due to NHP Securities No 3 Limited	2,456,587	2,448,051
Loan notes due to Libra CareCo Limited	1,018,300	1,018,300
	<hr/>	<hr/>
	3,474,887	3,466,351
	<hr/>	<hr/>

As at 30 September 2007, the Company held loan notes of £2,456,587 (2006 £2,448,051) from NHP Securities No 3 Limited, a group undertaking to enable the Company to finance part of its care home development costs. The Care Home development work was completed on 2 March 2006. The loan notes have no fixed repayment date and bear interest at 9.25% per annum.

During the year, Libra CareCo Limited, a group undertaking has issued a loan note of £1,018,300 to the Company to finance part of its care home development costs. The loan notes have no fixed repayment date and bear interest at 9.25% per annum.

NHP OPERATIONS (YORK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2007

10. DEFERRED TAXATION

	Provided		Unprovided	
	2007	2006	2007	2006
	£	£	£	£
Accelerated capital allowances	-	-	-	23,625
Revaluation of investment properties	-	-	599,293	494,222
	<u>-</u>	<u>-</u>	<u>599,293</u>	<u>517,847</u>

The deferred tax liability on the potential capital gain arising in relation to the re-valued freeholds of £6,300,000 is not recognised as the Company has no intention to sell these properties at this time and there is no binding agreement

11. CALLED UP SHARE CAPITAL

	2007		2006	
	Number	£	Number	£
Authorised:				
Ordinary shares at £1 each	<u>7,877</u>	<u>7,877</u>	<u>7,877</u>	<u>7,877</u>
Called up, allotted and fully paid:				
Ordinary shares at £1 each				
At 1 October and 30 September	<u>7,779</u>	<u>7,779</u>	<u>7,779</u>	<u>7,779</u>

12. RESERVES

	Revaluation Reserve	Profit and loss account
	£	£
At 1 October 2006	1,647,408	(402)
Surplus on revaluation of property	492,923	-
Retained profit for the year	<u>-</u>	<u>4,748</u>
At 30 September 2007	<u>2,140,331</u>	<u>4,346</u>

13. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No 8 "Related Party Disclosures", transactions with other undertakings within the Libra No 2 Limited (previously within "Libra CareCo Offshore Superholdco Limited") group have not been disclosed in these financial statements

NOTES TO THE ACCOUNTS

Year ended 30 September 2007

14. 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 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. CS Funding 1 Limited's rights and obligations under the £1,172 million term loan agreement were ultimately transferred by way of novation to Titan Europe 2007-1 (NHP) Limited on 24 May 2007.

15. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

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

The ultimate and parent undertaking is Delta Commercial Property LP, a limited partnership incorporated and registered in the Isle of Man. In the opinion of the Directors, there is no ultimate controlling party in that company.

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 2007, which include the results of the Company, are available from Libra Group at 25 Hanover Square, London, W1S 1JF.