

LIBRA CARECO LIMITED

Report and Financial Statements
30 September 2015

TUESDAY



A56PQ73N

A21

10/05/2016

#151

COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER
2015**

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr C Patel
Mr D Smith

REGISTERED OFFICE

Southgate House
Archer Street
Darlington
County Durham DL3 6AH

SOLICITORS

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

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

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30 September 2015.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Company has also taken the small companies exemption from the requirement to prepare a Strategic Report.

PRINCIPAL ACTIVITY

The principal activity of the Company's parent undertaking, FC Skyfall Upper Midco Limited and its subsidiaries (the "Group") is the management and running of care homes principally for the elderly. The Group also owns the freeholds of care homes which are leased to the operating subsidiaries (HC-One Limited, Meridian Healthcare Limited and TTCC Limited) and a small number of third party operators.

The principal activity of the Company is to act as a holding company. The Directors intend to continue these activities in the forthcoming year.

BUSINESS REVIEW

In the year to 30 September 2015, the Company has continued to act as a holding company and this will continue in the foreseeable future.

RESULTS

The profit for the year to 30 September 2015 is set out in the profit and loss account on page 7.

DIVIDENDS

No dividends in respect of the year are proposed (2014: £nil).

DIRECTORS

The following Directors served throughout the year:

Dr C Patel (appointed on 12 November 2014)
Mr D Smith (appointed on 12 November 2014)
Mr J M J M Jensen (resigned on 12 November 2014)
Mr P H Thompson (resigned on 12 November 2014)

The current Directors of the Company are detailed on page 1.

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

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

Management have prepared detailed forecasts for the Group for the period to 30 September 2017. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes.

The Group maintains sufficient cash resources to meet its day-to-day working capital requirements.

The Directors believe that the Group and the Company are well placed to manage its risk appropriately.

DIRECTORS' REPORT

(Continued)

GOING CONCERN (Continued)

After making enquiries and based on the Group's forecasts and projections, taking into account reasonable possible changes in trading performance, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

AUDITOR


Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 auditor in the absence of an Annual General Meeting.

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



D Smith
Director
Date: 24 March 2016
Southgate House
Archer Street
Darlington
County Durham DL3 6AH

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBRA CARECO LIMITED

We have audited the financial statements of Libra Careco Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit 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.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LIBRA CARECO LIMITED (Continued)**

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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Mark Beddy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 24 March 2016

PROFIT AND LOSS ACCOUNT**Year ended 30 September 2015**

	Notes	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Administrative income/ (expenses)	2	3,401,360	(175,097)
Amounts written back - loan notes restructuring	3	-	12,440,411
Amounts written back – fixed asset investment		582,142,823	-
OPERATING PROFIT		585,544,183	12,265,314
Net interest payable and similar charges	4	(23,846,728)	(20,383,260)
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		561,697,455	(8,117,946)
Tax on profit on ordinary activities	5	-	-
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE YEAR	12	561,697,455	(8,117,946)

Results are derived wholly from continuing operations.

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

BALANCE SHEET
As at 30 September 2015

			2015	2014
	Notes	£	£	£
FIXED ASSETS				
Investments	6		583,161,123	-
CURRENT ASSETS				
Debtors	7	2,557,331	-	-
CREDITORS: amounts falling due within one year	8	<u>(191,686,292)</u>	<u>(653,039,667)</u>	
NET CURRENT LIABILITIES			<u>(189,128,961)</u>	<u>(653,039,667)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			394,032,162	(653,039,667)
CREDITORS: amounts falling due after more than one year	9	(485,374,374)		-
NET LIABILITIES			<u>(91,342,212)</u>	<u>(653,039,667)</u>
CAPITAL AND RESERVES				
Called up share capital	11		1,900	1,900
Profit and loss account	12		<u>(91,344,112)</u>	<u>(653,041,567)</u>
SHAREHOLDERS' DEFICIT	13		<u>(91,342,212)</u>	<u>(653,039,667)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved and authorised for issue by the Board of Directors on 24 March 2016. The Company Registration number is 05296600.

Signed on behalf of the Board of Directors



D Smith
 Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (as issued by Accounting Council). The particular accounting policies adopted are described below and they have been applied consistently during the year and the preceding year.

Exemption from consolidation

The Company is itself a subsidiary undertaking of FC Skyfall Upper Midco 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 401 of the Companies Act 2006. These financial statements provide information about the Company as an individual undertaking and not about its group.

Going concern

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

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

Management have prepared detailed forecasts for the Group for the period to 30 September 2017. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes.

The Group maintains sufficient cash resources to meet its day-to-day working capital requirements.

The Directors believe that the Group and the Company are well placed to manage its risk appropriately.

After making enquiries and based on the Group's forecasts and projections, taking into account reasonable possible changes in trading performance, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences 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.

Interest

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

Investments

Fixed asset investments are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2015

1. ACCOUNTING POLICIES (Continued)

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 cash flow statement, as it is included in the consolidated financial statements of FC Skyfall Upper Midco Limited, which are publicly available.

2. ADMINISTRATIVE INCOME/ (EXPENSES)

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

None of the Directors received emoluments in relation to their services to the Company during the current or preceding year. Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current year and by NHP Management Limited, also a group undertaking in the preceding year.

Other administrative income/ (expenses) include:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Group management fees	(73,103)	(73,905)
Write back/ (off) of provision for doubtful debts – group undertakings*	<u>3,481,438</u>	<u>(94,192)</u>

The analysis of auditor's remuneration is as follows:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	(2,975)	(3,000)
Fees payable to the Company's auditor and their associates for tax compliance services to the Company	<u>(4,000)</u>	<u>(4,000)</u>
	<u>(6,975)</u>	<u>(7,000)</u>

3. AMOUNTS WRITTEN BACK - LOAN NOTES RESTRUCTURING

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Gain from loan notes restructuring	<u>-</u>	<u>12,440,411</u>

During the year ended 30 September 2014, the Group undertook the debt restructuring steps to consolidate the loan balances between LIBRA No 3 Limited, its former intermediate parent undertaking and the companies under NHP Holdco 1 Limited group.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 September 2015	Year ended 30 September 2014
	£	£
Interest receivable on loan notes to group undertaking	(94,193)	(94,193)
Interest payable on loan from group undertakings	23,940,921	20,477,453
	<u>23,846,728</u>	<u>20,383,260</u>

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

	Year ended 30 September 2015	Year ended 30 September 2014
	£	£
Corporation tax charge	-	-
Decrease in estimate of recoverable deferred tax asset	-	-
Total tax charge	<u>-</u>	<u>-</u>
Profit/ (Loss) before tax	561,697,455	(8,117,946)
Tax on profit/ (loss) at standard rate of 20.5% (2014: 22.0%)	115,147,978	(1,785,948)
Factors affecting tax charge:		
Non-deductible provisions	(1)	20,722
Income not taxable for tax purposes	(120,044,951)	-
Utilisation of tax losses	4,896,974	-
Loan restructuring	-	(2,736,890)
Increase in losses c/f	-	4,502,116
Current tax charge	<u>-</u>	<u>-</u>

6. INVESTMENTS

	Shares in subsidiary undertakings £	Subordinated loan notes investment in subsidiary undertaking £	Total £
Cost			
At 1 October 2014 and 30 September 2015	582,142,823	1,018,300	583,161,123
Provision			
At 1 October 2014	(582,142,823)	(1,018,300)	(583,161,123)
Amounts written back	582,142,823	1,018,300	583,161,123
At 30 September 2015	-	-	-
Net book value:			
At 30 September 2015	582,142,823	1,018,300	583,161,123
At 30 September 2014	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

6. INVESTMENTS (Continued)

Investments in subsidiary undertakings

The investment in NHP Limited, a company incorporated in the United Kingdom, was acquired on 18 February 2005 and comprises 100% of the issued share capital of that company.

Shares in subsidiary undertakings

At 30 September 2015, the Company held investments directly or indirectly in the following principal subsidiary undertakings:

Name	Country of incorporation	Holdings %	Principal activity
NHP Limited*	United Kingdom	100%	Parent company of subsidiary undertakings with investment in care home properties
NHP Securities No.1 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.2 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.3 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.4 Limited	United Kingdom	100%	Partner in LLNHP Partnership
NHP Securities No.9 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 Management Limited	United Kingdom	100%	Management of care home property portfolios
NHP Operations (York) Limited	United Kingdom	100%	Care home property development
LLNH Limited	United Kingdom	100%	Partner in LLHNP Partnership
Care Homes No. 1 Limited	Cayman Islands	100%	Investment in care homes properties

Loan note investment in subsidiary undertaking

As at 30 September 2015, a loan note of £1,018,300 was invested in NHP Operations (York) Limited, a subsidiary undertaking to enable that company to finance its care home development. The loan notes have no fixed repayment date and bear interest at 9.25% per annum.

7. DEBTORS

	2015 £	2014 £
Amount due within one year:		
Other amounts due from group undertakings	2,557,331	-
	<u>2,557,331</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Loan notes due to group undertakings	-	484,927,444
Loan note interest payable to group undertakings	177,029,814	153,821,559
Amounts due to group undertakings	14,652,478	14,286,664
Accruals	4,000	4,000
	<u>191,686,292</u>	<u>653,039,667</u>

Amounts due to group undertakings

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

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

	2015	2014
	£	£
Loan notes due to group undertakings	485,374,374	-
	<u>485,374,374</u>	<u>-</u>

On 29 September 2005 Libra CareCo Investments 2 Limited assumed the original loan notes principal plus interest, totalling £221,894,067 issued by the Company to TBG CareCo UK Limited. TBG CareCo UK Limited was its former group undertaking. The subordinated loan notes have no fixed repayment dates and bear interest at 10% per annum. The loan notes were granted to finance part of the NHP Limited acquisition costs in February 2005. During the year ended 30 September 2005, the Company repaid £129,264,906. The loan notes outstanding amount at 30 September 2015 is £92,629,161 and has been transferred from "Creditors: amounts falling due within one year".

On 28 September 2013 the Company issued a loan note of £330,414,625 to NHP Securities No. 3 Limited for prior advances made to the Company which enabled it to repay bank and inter-company debts. The interest rate charged is at LIBOR plus 2% per annum, repayable on demand. The loan has been transferred from "Creditors: amounts falling due within one year".

On 12 November 2014 the Company issued a loan note of £62,330,588 to FC Skyfall Bidco Limited, its intermediate parent undertaking for an advance it made to the Company to enable it to repay an inter-company debt owed to LIBRA No 3 Limited, the Company's former intermediate parent undertaking. The loan note bears interest at 8% per annum with repayment date on 12 November 2019.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

10. DEFERRED TAXATION

	Provided 2015 £	Unprovided 2015 £	Provided 2014 £	Unprovided 2014 £
Loss carried forward	-	28,341,511	-	23,556,149
	<u>-</u>	<u>28,341,511</u>	<u>-</u>	<u>23,556,149</u>

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. Accordingly 20% has been applied when calculating un-recognised deferred tax assets and liabilities as at 30 September 2015.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes further provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation had not been substantively enacted as at the balance sheet date these rates do not apply to the deferred tax position at 30 September 2015.

11. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Called up, allotted and fully paid:		
190,000 Ordinary Shares at 1p each	1,900	1,900

12. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
At 1 October 2014	(653,041,567)
Profit for the financial year	561,697,455
At 30 September 2015	<u>(91,344,112)</u>

13. RECONCILIATION IN MOVEMENTS IN SHAREHOLDERS' DEFICIT

	£
At 1 October 2014	(653,039,667)
Profit for the financial year	561,697,455
At 30 September 2015	<u>(91,342,212)</u>

14. CONTINGENT LIABILITIES AND GUARANTEES

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Lower Midco Limited and FC Skyfall Bidco Limited, the Company's intermediate parent undertakings. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 23 March 2016 the outstanding loan amount is £278.2m.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2015

15. 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 FC Skyfall Upper Midco Limited group have not been disclosed in these financial statements.

No other related party transaction is noted.

16. POST BALANCE SHEET EVENTS

No post balance event is noted.

17. ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking is Libra CareCo Investments No. 2 Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent undertaking is FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands. FC Skyfall Upper Midco Limited is both the smallest and largest group the consolidated financial statements are drawn up.

Copies of FC Skyfall Upper Midco Limited financial statements to 30 September 2015 are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.