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Company Registration  
No. FC 027203

**CARE HOMES NO. 3 LIMITED**  
**Annual Report and Financial Statements**  
**For the year ended 30 September 2018**

TUESDAY



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23/04/2019  
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**CARE HOMES NO. 3 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2018**

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**CARE HOMES NO. 3 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2018**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

Mr J Hutchens  
Mr D Smith

**COMPANY SECRETARY**

Crestbridge Corporate Services Limited

**REGISTERED OFFICE**

c/o Walkers Corporate Limited  
Cayman Corporate Centre  
27 Hospital Road  
George Town  
Grand Cayman  
KY1-9008  
Cayman Islands

**ASSET MANAGER**

NHP Management Limited  
Southgate House  
Archer Street,  
Darlington  
County Durham DL3 6AH

**BANKERS**

Barclays Bank PLC  
Barclays Business Centre  
8/9 Hanover Square  
London W1A 4ZW

**AUDITOR**

Deloitte LLP  
Statutory Auditor  
Newcastle upon Tyne  
United Kingdom

## 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

## CARE HOMES NO. 3 LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE HOMES NO. 3 LIMITED

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Care Homes No.3 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the provisions of Companies Act 2006 applicable to overseas companies.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## CARE HOMES NO. 3 LIMITED

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE HOMES NO. 3 LIMITED (Continued)**

#### **Other information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's (the FRC's) website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CARE HOMES NO. 3 LIMITED (Continued)**

**Report on other legal and regulatory requirements**

**Matters on which we are required to report by exception**

Under the provisions of the Companies Act 2006 applicable to overseas companies we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with the provisions of Companies Act 2006 applicable to overseas companies. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



David Johnson (FCA)  
Deloitte LLP  
Statutory Auditor  
Newcastle upon Tyne  
United Kingdom  
Date: 8 February 2019

## CARE HOMES NO. 3 LIMITED

### PROFIT AND LOSS ACCOUNT For the year ended September 2018

		Year ended 30 September	Year ended 30 September
	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	400,128	3,863,725
Administrative expenses		(4,673,444)	(2,509,546)
<b>OPERATING (LOSS)/ PROFIT</b>		(4,273,316)	1,354,179
Net interest receivable/ (payable) and similar income/ (expenses)	4	2,745,033	(781,486)
<b>LOSS BEFORE TAXATION</b>	5	(1,528,283)	572,693
Tax on (loss)/ profit	6	-	333,880
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,528,283)	906,573

Results are derived wholly from continuing operations.

There is no comprehensive income for the current financial year or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

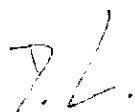


# CARE HOMES NO. 3 LIMITED

## BALANCE SHEET As at 30 September 2018

	Notes	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Investments	7		24,978,738		22,396,044
<b>CURRENT ASSETS</b>					
Debtors	8	101,888,054		52,128,982	
Deferred tax asset	11	2,190,303		2,190,303	
Cash at bank and in hand		128,430		313,512	
			<u>104,206,787</u>	<u>54,632,797</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	(43,717,000)		(39,032,033)	
<b>NET CURRENT ASSETS</b>			<u>60,489,787</u>		<u>15,600,764</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>85,468,525</u>		<u>37,996,808</u>
<b>CREDITORS: amounts falling due after more than one year</b>	10		(19,312)		(19,312)
<b>NET ASSETS</b>			<u>85,449,213</u>		<u>37,977,496</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	12		1,501		501
Share premium account	12		243,773,885		194,774,885
Profit and loss account	12		(158,326,173)		(156,797,890)
<b>SHAREHOLDERS' FUNDS</b>			<u>85,449,213</u>		<u>37,977,496</u>

These financial statements of Care Homes No. 3 Limited (registered number F0027203) were approved by the Board of Directors and authorised for issue on 8 February 2019. They were signed on its behalf by:



Mr D Smith  
Director

**CARE HOMES NO. 3 LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 September 2018**

	<b>Called-up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 October 2016</b>	500	-	(157,704,463)	(157,703,963)
Profit for the financial year	-	-	906,573	906,573
Share issue at premium	1	194,774,885	-	194,774,886
<b>At 30 September 2017</b>	501	194,774,885	(156,797,890)	37,977,496
Loss for the financial year	-	-	(1,528,283)	(1,528,283)
Share issue at premium (see note 12)	1,000	48,999,000	-	49,000,000
<b>At 30 September 2018</b>	1,501	243,773,885	(158,326,173)	85,449,213

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

#### General information and basis of accounting

Care Homes No. 3 Limited ("the Company") is a company incorporated in the Cayman Islands under the Company Law (2004 Revision) of the Cayman Islands. The address of the registered office is given on page 1. The portfolio of overriding leases acquired by the Company from its group undertaking, namely, Libra CareCo CH2 PropCo Limited were subsequently leased out to care home operators. The principal activity of the Company is to collect monthly operating rental income, paying its fees and expenses and the remaining net rental income to be payable as overriding lease rental to its group undertakings.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) as issued by Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent undertaking, FC Skyfall Upper Midco Limited, which can be obtained from the Companies House at Crown Way, Cardiff, Wales, CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, remuneration of key management personnel, financial instruments and related party transactions.

#### 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 year to 30 September 2020. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes.

The Directors have received written confirmations from its group undertakings that they do not intend to recall any debts due on demand for a period of at least 12 months from the date of approval of the financial statements for the year ended 30 September 2018. The Company's group undertakings have sufficient recourse to continue to support the Company. 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 Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Exemption from consolidation

The Company has taken advantage of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as the Company is itself a subsidiary undertaking of FC Skyfall Upper Midco Limited. These financial statements provide information about the Company as an individual undertaking and not about its group.

#### Turnover

Turnover earned from the ordinary activities of the Company, which is stated net of value added tax, takes place wholly within the United Kingdom. Rental income is received and receivable from care homes operating leases leased to and managed by the Company's group undertaking, HC-One Limited. Turnover represents rental income accounted for on an accrual basis under the terms of operating lease agreements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2018**

**1. ACCOUNTING POLICIES (Continued)**

**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 that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense and income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise that assets and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis; or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Foreign currencies**

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

**Investments**

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

**Interest**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**For the year ended 30 September 2018**

**1. ACCOUNTING POLICIES (Continued)**

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Impairment of assets**

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

*Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

*Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Overriding leases**

Rental under overriding leases is accounted for on an accrual basis under the terms of the overriding lease agreement.

## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements are considered to be those which are also key sources of estimation which are discussed below.

##### Key sources of estimation uncertainty

##### *Overriding lease rental*

Determining the overriding lease rental expense requires estimation of some fees and expenses. Management have used their past experience to calculate amount to recognise at each financial year.

#### 3. TURNOVER

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

	2018 £	2017 £
Rental receivable	400,128	3,863,725

#### 4. NET INTEREST RECEIVABLE/ (PAYABLE) AND SIMILAR INCOME/ (CHARGES)

	2018 £	2017 £
Interest payable to group undertakings	(1,577,362)	(4,603,880)
Interest receivable on bank deposits	716	-
Interest receivable on loan from group undertakings	4,321,717	3,822,464
Bank charges	(38)	(70)
	<u>2,745,033</u>	<u>(781,486)</u>

## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2018

#### 5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	2018 £	2017 £
Management fees payable to a group undertaking	17,199	18,951
Provision of intercompany debts	1,528,753	-
Overriding lease rents to Libra CareCo CH3 Propco Limited, a group undertaking	3,106,603	2,468,588

The analysis of auditor's remuneration is as follows:

Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,000	5,000
Fees payable to the Company's auditor for other services to the Company:		
- Tax compliance services	4,000	4,000
Total auditor remuneration	10,000	9,000

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 and preceding year, and are not repayable.

#### 6. TAX ON (LOSS)/ PROFIT

	2018 £	2017 £
Origination and reversal of timing differences	-	264,047
Adjustment in respect of prior periods	-	(564,091)
Effect of changes in tax rates	-	(33,836)
Total deferred tax	-	(333,880)
Reconciliation of tax credit:		
Profit before tax	(1,528,283)	572,693
Tax on profit at standard rate of 19.0% (2017: 19.5%)	(290,374)	111,667
Factors affecting charge:		
Effects of Group relief/other reliefs	(89)	152,379
Adjustments from previous periods	-	(564,091)
Non-deductible provisions	290,463	-
Tax rate changes	-	(33,836)
Roundings	-	1
Total tax credit for the year	-	(333,880)

The standard rate of tax applied to reported profit is 19.0% (2017: 19.5%).

Finance Act No.2 2015 included provisions to reduce the corporate tax to 19.0% with effect from 1 April 2017. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax to 17.0% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2018.

There is no expiry date on timing differences, unused tax losses or tax credits.

## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2018

#### 7. INVESTMENTS

	Investments in subsidiary undertakings £	Loan notes investment in group undertaking £	Total £
<b>Loan note due by group undertaking</b>			
<b>Cost and net book value</b>			
At 1 October 2017	21,500	22,374,544	22,396,044
Additions		2,582,694	2,582,694
<b>At 30 September 2018</b>	<b>21,500</b>	<b>24,957,238</b>	<b>24,978,738</b>

#### Investments in subsidiary undertakings

NHP Securities No.10 Limited is incorporated in Jersey and its sole activity is to purchase long-leasehold interests in modern purpose-built care homes which are leased back to care home operators. The authorised share capital of NHP Securities No.10 Limited is £10,000, divided into 8,000 A Ordinary Shares of £1 each (the "A Shares") and 2,000 B Ordinary Shares of £1 each (the "B Shares"), all of which have been issued and are fully paid. The A Shares carry a right to vote generally but the B Shares do not carry a right to receive notice of, attend or vote at any general meeting of the Company. The Company paid £18,000 for the 8,000 A Ordinary Shares.

On 1 December 2006 the Company paid £2,500 to acquire the 2,000 issued 'B' Ordinary Shares of £1 each of NHP Securities No. 10 Limited for cash.

NHP Securities No.12 Limited is incorporated in Jersey and its sole activity is to purchase long leasehold interests in modern purpose-built care homes which are leased back to care home operators. The authorised share capital of NHP Securities No.12 Limited is two ordinary shares of £1 each all of which has been issued and is fully paid. The Company paid £1,000 for the 2 Ordinary shares.

The registered address of both NHP Securities No.10 Limited and NHP Securities No.12 Limited is 47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD.

#### Loan notes investment in group undertaking

During the year to 30 September 2018 further loans totalling £500,000 were invested in HC-One Limited, a group undertaking. At 30 September 2018 total loan of £24,957,238, including interest capitalised of £2,082,694 (2017: £22,374,544, including interest capitalised of £1,664,685) invested in HC-One Limited remained outstanding. The loan is due for repayment on 11 November 2019 and bears fixed interest rate of 9% per annum.

#### 8. DEBTORS

	2018 £	2017 £
Amount falling due within one year:		
Trade debtors	101	101
Prepayments and accrued income	80,359	16,992
Loan notes due by group undertakings	94,993,937	44,122,817
Amount due by group undertakings	6,813,657	7,989,072
	<b>101,888,054</b>	<b>52,128,982</b>

#### Loan notes due by group undertaking

At 30 September 2018, total loan of £44,918,214 (including interest capitalised of £1,871,120) invested in Libra Intermediate Holdco Limited remained outstanding. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum (2017: £43,047,094, including interest capitalised of £1,880,396).



## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

#### 8. DEBTORS (Continued)

##### Loan notes due by group undertaking (Continued)

At 30 September 2018 total loan of £1,075,723 (2017: £1,075,723) were invested in FC Skyfall Bidco Limited, a group undertaking to enable the company to pay interest due on external loans. The loan has no fixed repayment date and bears interest at fixed rate of 8% per annum.

On 27 September 2018 the loan amount of £49,000,000 were invested in FC Skyfall IOM Properties Limited, a group undertaking. The loan amount was transferred from Libra CareCo CH3 PropCo Limited, a group undertaking. At 30 September a total loan amount of £49,000,000 remained outstanding (2017: nil). The loan has no fixed repayment date and bears interest at fixed rate of 6.50% per annum

##### Amount due by group undertakings

As at 30 September 2018 FC Skyfall Bidco Limited owed £320,096 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £234,038).

As at 30 September 2018 HC-One Limited owed £540,984 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £495,469).

As at 30 September 2018 Care Homes No.1 Limited owed £57,863 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £57,863).

As at 30 September 2018 Care Homes No.2 (Cayman) Limited owed £447,413 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £447,413).

As at 30 September 2018 Libra Intermediate Limited owed £1,919,590 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £1,703,212).

As at 30 September 2018 NHP Management Limited owed £4,802,477 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £4,831,993). A provision of doubtful debts of £1,528,753 has been made against the amount owed as at 30 September 2018 (2017: nil).

As at 30 September 2018 NHP Operations (York) Limited owed £219,084 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £219,084).

As at 30 September 2018 FC Skyfall IOM Properties Limited owed £34,903 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £nil).

#### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Loan notes due to group undertakings	23,841,468	23,841,468
Amounts due to group undertakings	19,871,532	15,186,565
Accruals and deferred income	4,000	4,000
	<u>43,717,000</u>	<u>39,032,033</u>

##### Loan notes due to group undertakings

Loan notes of £23,841,468 (2017: £23,841,468) were issued to NHP Securities No. 3 Limited, a group undertaking. The loan notes have no fixed repayment dates and bear interest of 6.6% per annum.

## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

#### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

##### Amounts due to group undertakings (Continued)

As at 30 September 2018 NHP Securities No. 3 Limited owes the Company £16,712,347 (2017: £15,138,810) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 Libra CareCo CH3 PropCo Limited owes the Company £3,106,603 (2017: £nil) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 NHP Securities No. 10 Limited owes the Company £5,000 (2017: £4,500) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 NHP Securities No. 10 Limited owes the Company £8,523 (2017: £8,023) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 NHP Limited owes the Company £39,059 (2017: £35,232) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

#### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Loan notes due to group undertakings	19,312	19,312
	<u>19,312</u>	<u>19,312</u>

A loan note of £19,312 (2017: £19,312) was issued by NHP Limited, a group undertaking and is repayable on 2 January 2031 and bears interest at 6.6% per annum.

#### 11. DEFERRED TAXATION

	Provided 2018 £	Unprovided 2018 £	Provided 2017 £	Unprovided 2017 £
Loss carried forward	(2,190,303)	-	(2,190,303)	-
	<u>(2,190,303)</u>	<u>-</u>	<u>(2,190,303)</u>	<u>-</u>
<b>Deferred tax assets:</b>			<b>2018 £</b>	<b>2017 £</b>
Provision at 1 October			(2,190,303)	(1,856,422)
Adjustment in respect of prior years			-	(564,091)
Deferred tax credit for the year			-	230,211
Roundings			-	(1)
Provision at 30 September			<u>(2,190,303)</u>	<u>(2,190,303)</u>

## CARE HOMES NO. 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2018

#### 12. CAPITAL AND RESERVES

	2018	2017
	£	£
<b>Called-up, allotted and fully paid:</b>		
1,001 ordinary shares at US \$1 each	\$1,000	\$1,000
Issue of 1,000 ordinary shares £1 each	1,000	-
	<hr/>	<hr/>
Pounds sterling equivalent	1,501	501
	<hr/>	<hr/>

The share premium represents the additional premium paid on ordinary shares.

The profit and loss account represents cumulative profits or losses, net of other adjustments.

#### 13. CONTINGENT LIABILITIES AND GUARANTEES

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's intermediate parent undertaking. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 8 February 2019 the outstanding loan amount is £270.2m.

#### 14. SUBSEQUENT EVENTS

No significant events are noted between the year ended 30 September 2018 and the date of signing of this report.

#### 15. RELATED PARTY TRANSACTIONS

The Company has taken exemption provided under FRS 102 to not disclose intercompany transactions with other wholly owned group undertakings within the FC Skyfall Upper Midco Limited group.

There are no transactions between the Company and the Directors during the current year or the preceding year.

The key management personnel of the Company are also the key management personnel of the Group and other group undertakings. Management do not believe it is possible to allocate these costs to each individual company. Further details can be found in the consolidated financial statements of FC Skyfall Upper Midco Limited.

#### 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Libra CareCo CH3 PropCo Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Directors regard FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. There is no controlling party beyond FC Skyfall LP.

The largest group into which these financial statements are consolidated is FC Skyfall Holdco 3 Limited with registered office at c/o Trident Trust Company (Cayman) Limited, One Capital Place, Shedden Road, PO Box 847, George Town, Grand Cayman KY-1103.

The smallest group in which the results of the Company are consolidated is that headed by FC Skyfall Upper Midco Limited, a company incorporated in England and Wales. The registered address of FC Skyfall Upper Midco Limited is 25 Canada Square, Level 37, London, England, E14 5LQ.

Copies of financial statements of all the companies for the year ended 30 September 2018 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.