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Company Registration No. FC027205

**NHP SECURITIES NO.8 LIMITED**

**Report and Financial Statements  
30 September 2014**

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**REPORT AND FINANCIAL STATEMENT 2014**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr 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)

**SECRETARY**

Crestbridge Corporate Services Limited

**REGISTERED OFFICE**

47 Esplanade  
St Helier  
Jersey  
JE1 0BD

**SOLICITORS**

Eversheds LLP  
Eversheds House  
70 Great Bridgewater Street  
Manchester M1 5ES

**AUDITOR**

Deloitte LLP  
Chartered Accountants  
London

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHP SECURITIES NO.8 LIMITED**

We have audited the financial statements of NHP Securities No 8 Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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. 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

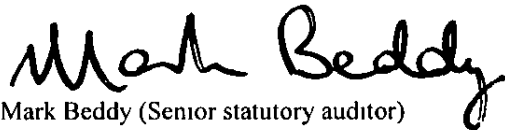
- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the provisions of the Companies Act 2006 applicable to overseas companies

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHP SECURITIES NO.8 LIMITED**

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

We have nothing to report in respect of the following matters where the provisions of the Companies Act 2006 applicable to overseas companies requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Beddy (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
Date 29 April 2015

**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 2014**

	Notes	2014 £	2013 £
<b>TURNOVER AND GROSS PROFIT</b>	3	500	500
Administrative expenses		(500)	(500)
<b>OPERATING RESULT</b>	4	-	-
Tax on result on ordinary activities	5	-	-
<b>RESULT FOR THE FINANCIAL YEAR</b>	7	-	-

All results are derived from continuing operations

There are no recognised gains or losses and other movements in shareholders' funds in the current or preceding year other than as stated above. No statement of recognised gains or losses has therefore been presented.

# NHP SECURITIES NO.8 LIMITED

## BALANCE SHEET at 30 September 2014

	Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>		-	-
<b>NET ASSETS</b>		-	-
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	10,000	10,000
Profit and loss account		(10,000)	(10,000)
<b>SHAREHOLDERS' FUNDS</b>	7	-	-

These financial statements were approved and authorised for issue by the Board of Directors on 29 April 2015  
The Company registration number is FC027205

Signed on behalf of the Board of Directors



D Smith  
Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**1. GOING CONCERN**

As at 30 September 2014 the Company was a guarantor for a £1,172m term loan (the 'Senior Loan') entered into by LIBRA No 3 Limited, the Company's intermediate parent undertaking

The Group had been in breach of the covenants since November 2008 due to the fall in property values and the Directors of the Company had been in restructuring negotiation with its lenders and had entered into a series of standstill agreements

At 30 September 2014 the Group and Capita Asset Services (UK) Limited ('Capita'), the Servicer and the Special Servicer to the Senior Loan had decided to pursue a possible sale of all of the shares of NHP Holdco 1 Limited, the Company's intermediate parent undertaking (the *Disposal*)

The Disposal was successfully concluded on 12 November 2014 following an acquisition made by Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited. Consequently, NHP Holdco 1 Limited and all its subsidiaries including HC-One and TTCC have been transferred to the new owner. See note 15 for further details.

The change in ownership removed the uncertainty and financial risk connected with the bank debts of LIBRA No 3 Limited and LIBRA No 2 Limited, the Company's ultimate parent undertaking. The new structure properly funds the Group, the Company and the operations of HC-One Limited and TTCC Limited (both are group undertakings) and its plan for future development.

The obligations of NHP Holdco 1 Limited and its subsidiary undertakings under the £1,172m term loans were fully discharged on 12 November 2014.

On 12 December 2014 LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation.

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

After making enquiries and based on the Group's forecasts and projections, taking into account of reasonably 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.

**2. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with Section 396 of the Overseas Companies Regulations 2009. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (as issued by Accounting Council).

The particular accounting policies adopted are described below. They have been applied consistently throughout the year and the preceding year.

**Taxation**

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

Deferred tax is provided in full on timing differences which have originated at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognised in respect of gains and losses on revalued assets unless the company has entered into a binding agreement to sell the assets and the gains or losses have been recognised in the profit and loss account. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**2. ACCOUNTING POLICIES**

**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 NHP Holdco 1 Limited, which are publicly available

**3. TURNOVER AND GROSS PROFIT**

Turnover represents a trustee fee arising from the Company's non-beneficial interest in long leasehold interests which are wholly within the United Kingdom. The Company recognises turnover when the amount can be reliably measured and when there is a right to consideration. Turnover is recorded at the value of consideration due.

**4. OPERATING RESULT**

Operating result is stated after taking into account the following income and expenses

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trustee fee due from Care Homes No 2 Limited	500	500
Provision of doubtful debts – group undertakings	<u>(500)</u>	<u>(500)</u>

No audit fees have been charged to the profit and loss account. Audit fees of £500 have been borne by Care Homes No. 2 (Cayman) Limited in both the current and preceding year. The Company did not incur any non-audit fees during the year (30 September 2013: £nil).

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 NHP Management Limited, a group undertaking during the current and preceding year.

**5. TAX ON RESULT ON ORDINARY ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Corporation tax charge	<u>-</u>	<u>-</u>
Result before tax	<u>-</u>	<u>-</u>
Tax on result at standard rate of 22% (2013: 23.5%)	<u>-</u>	<u>-</u>
Factors affecting charge		
Non deductible provisions	110	118
Group relief for nil consideration	<u>(110)</u>	<u>(118)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The tax charge for the current year is lower than that resulting from applying the standard rate of corporation tax due to group relief available from other group companies for nil consideration.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**6. CALLED UP SHARE CAPITAL**

	2014 £	2013 £
Called up, allotted and fully paid		
8,000 A Ordinary shares of £1 each	8,000	8,000
2,000 B Ordinary shares of £1 each	2,000	2,000
	<u>10,000</u>	<u>10,000</u>

All of the shares are fully paid. The A shares carry a right to vote. The B shares do not carry a right to receive notice of, attend or vote at any general meeting of the Company.

**7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Result for the year	-	-
Net movement in shareholders' funds	-	-
Shareholders' funds at the beginning of the year	-	-
Shareholders' funds at the end of the year	-	-

**8. CONTINGENT LIABILITIES AND GUARANTEES**

On 12 November 2014 the Company and its group undertakings became guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's new 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 29 April 2015 the outstanding loan amount is £295.8m.

**9. POST BALANCE SHEET EVENTS**

(a) On 12 November 2014 Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited, a related party of the Group, acquired 100% share capital of NHP Holdco 1 Limited from LIBRA No 3 Limited. The change in ownership removed the uncertainty and financial risk connected with the bank debts of LIBRA 3 Limited and LIBRA No 2 Limited. The new structure properly funds the Group, the Company and the operations of HC-One and TTCC and its plan for future development.

The Group's new partnership is with two organisations who share HC-One and TTCC's passion for care. Since 1999, Formation Capital and its investors have invested over US\$5.5 billion across care in the senior housing sector. Safanad Limited is a global investment firm that invests in property, private and public market.

The new partnership has been created with the view to consolidating HC-One's transformation and is planning to acquire further homes and diversify the care provided to include retirement villages, residential, nursing and home care. In doing so becoming an integrated health and social care provider working in collaboration with public sector commissioners delivering high quality and cost effective services.

As such, the acquisition represents the start of a new era for the Group's residents, staff and relatives. An investment programme will commence in 2015 to invest more than £100 million over five years to continue improving HC-One's homes and the services provided.

(b) On 12 November 2014 following the change of ownership, the obligations of the Company and its group undertakings under the £1,172m term loans were fully discharged.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2014**

**9. POST BALANCE SHEET EVENTS (Continued)**

(c) On 12 December 2014 LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation

(d) On 12 November 2014 the Company and all its group undertakings were acceded as guarantors to a facility agreement entered into by FC Skyfall Bidco Limited. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 29 April 2015 the outstanding loan amount is £295.8m

**10. RELATED PARTY TRANSACTIONS**

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings within the NHP Holdco 1 Limited group have not been disclosed in these financial statements

**11. ULTIMATE PARENT UNDERTAKINGS**

The immediate parent undertaking is Care Homes No 2 (Cayman) Limited, a company incorporated in the Cayman Islands

On 12 November 2014 Formation Capital, a leading healthcare-focused private investment firm in the USA, and Safanad, a global investment firm, in partnership with Court Cavendish Healthcare Management Services Limited, a related party of the Group, acquired 100% share capital of NHP Holdco 1 Limited, the Company's intermediate parent undertaking from LIBRA No 3 Limited, also the Company's intermediate parent undertaking

Following the change to new ownership on 12 November 2014 FC Skyfall Bidco Limited, a company incorporated in the United Kingdom and registered in England and Wales, becomes the Company's intermediate parent undertaking. As disclosed in note 15, LIBRA No 2 Limited and LIBRA No 3 Limited have been placed into liquidation on 12 December 2014 hence NHP Holdco 1 Limited is both the smallest and largest group including the Company for which consolidated accounts are prepared

Copies of the NHP Holdco 1 Limited group consolidated financial statements to 30 September 2014, which include the results of the Company, are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ