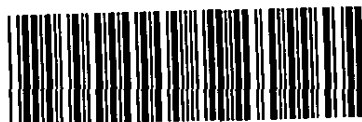


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NHP HOLDCO 2 LIMITED

**Report and Financial Statements
Year ended 30 September 2014**

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COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2014

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REPORT AND FINANCIAL STATEMENTS 2014

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

c/o Maples Corporate Services Limited
P O Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

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 HOLDCO 2 LIMITED**

We have audited the financial statements of NHP Holdco 2 Ltd for the year ended 30 September 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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

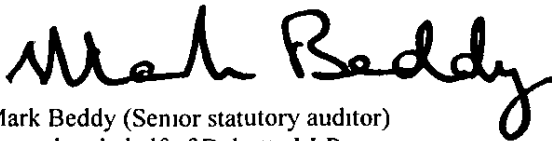
- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the provisions of the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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NHP HOLDCO 2 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 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	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Administrative expenses	3	(3,787)	(5,444)
OPERATING LOSS		(3,787)	(5,444)
Net interest payable and similar charges		(5)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,792)	(5,444)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	10	(3,792)	(5,444)

Results are derived wholly from continuing operations

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

BALANCE SHEET
At 30 September 2014

	Notes	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	5		-		-
CURRENT ASSETS					
Debtors	6	1,512		1,381	
CREDITORS: amounts falling due within one year	7	(49,833)		(45,910)	
NET CURRENT LIABILITIES			(48,321)		(44,529)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET LIABILITIES			(48,321)		(44,529)
CAPITAL AND RESERVES					
Called up share capital	9		2,076		2,076
Profit and loss account	10		(50,397)		(46,605)
SHAREHOLDERS' DEFICIT	11		(48,321)		(44,529)

These financial statements were approved and authorised for issue by the Board of Directors on 29 April 2015. The Company Registration number is FC027928.

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 13 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. The Company is in a net liability position and is reliant on support from its parent undertaking to meet its obligations.

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

The financial statements have been prepared under the historical cost convention, and in accordance with Section 396 of the Overseas Companies Regulations 2013. 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 current year and the preceding year.

Exemption from consolidation

The Company has taken advantage of section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is itself a subsidiary undertaking of NHP Holdco 1 Limited. These financial statements provide information about the Company as an individual undertaking and not about its group.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

2. ACCOUNTING POLICIES

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.

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 sterling at the year end rates. Gains and losses arising from the movements in exchange rates during the period are dealt with in the profit and loss account.

Investments

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

Cash flow statement

The directors have elected to take advantage of the exemption under FRS 1 not to prepare a cash flow statement as the financial statements of NHP Holdco 1 Limited contain a consolidated cash flow statement and are obtainable from Companies House.

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

No audit fees have been charged to the profit and loss account. Fees payable to the Company's auditor for the audit of the Company's annual accounts were £1,000 for the current and preceding year and have been borne by NHP Management Limited, a group undertaking. The Company did not incur any non-audit fees during the year (30 September 2013: £nil).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Corporation tax	-	-
Loss before tax	(3,792)	(5,444)
Tax on loss at standard rate of 22% (2013 23.5%)	(834)	(1,279)
Factors affecting tax charge		
Increase in loss carried forward	834	1,279
Current tax charge	-	-

The tax charge for the current year is higher than that resulting from applying the standard rate of corporation tax due to an increase in tax losses carried forward

5 INVESTMENTS

	£
Cost	
At 1 October 2013 and 30 September 2014	2,077
Provision	
At 1 October 2013 and 30 September 2014	(2,077)
Net book value:	
At 30 September 2014	-
At 30 September 2013	-

At 30 September 2014, the Company held investments either directly or indirectly in the following principal subsidiary undertakings

Name	Country of incorporation	% Holdings	Principal activity
NHP Holdco 3 Limited*	Cayman Islands	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Holdco Limited *	United Kingdom	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Limited	United Kingdom	100%	Investment in care home properties
Libra CareCo Holdings Limited	United Kingdom	98.4%	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 1 Limited	United Kingdom	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 2 Limited	United Kingdom	100%	Investment company in group undertaking with investment in care home properties

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

5. INVESTMENTS (Continued)	Country of incorporation	% Holdings	Principal activity
Name			
Libra CareCo Limited	United Kingdom	100%	Parent company of subsidiary undertakings with investment in care home properties
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 5 Limited	Jersey	100%	Investment in care home properties
NHP Securities No 8 Limited	Jersey	100%	Investment in care homes properties
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
Care Homes No 1 Limited	Cayman Islands	100%	Investment in care homes properties
Care Homes No 2 (Cayman) Limited	Cayman Islands	100%	Investment in care homes properties
LENH Limited	United Kingdom	100%	Partner in LLHNP Partnership

* held directly by NHP Holdco 2 Limited

6. DEBTORS

	2014	2013
	£	£
Prepayments	1,512	1,381

7. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Loan notes due to group undertaking	426	-
Loan note interest due to group undertaking	4	-
Amounts due to group undertakings	49,403	45,910
	<u>49,833</u>	<u>45,910</u>

Loan notes due to group undertakings

At 4 June 2014 the Company formalised the amount due to LIBRA No 3 Ltd, its immediate parent undertaking of £426 into loan notes. The loan note bears interest at 6-month LIBOR plus 2% per annum. The loan was fully repaid on 12 November 2014 by FC Skyfall Bidco Limited, a new intermediate parent undertaking following the change of ownership.

Amount owed to group undertaking

This amount is due on demand bearing no interest.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

8. DEFERRED TAXATION

	Provided		Unprovided	
	2014	2013	2014	2013
	£000	£000	£000	£000
Losses carried forward	-	-	(6,481)	(6,020)
	<u>-</u>	<u>-</u>	<u>(6,481)</u>	<u>(6,020)</u>

No deferred tax asset has been recognised in respect of the losses carried forward as it is considered that it is uncertain whether there will be sufficient taxable profits in the future to utilise losses

9. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
Called up, allotted and fully paid:		
207,590 ordinary shares at £0.01 each	2,076	2,076
	<u>2,076</u>	<u>2,076</u>

10. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At 1 October	(46,605)	(41,161)
Loss for the financial year	(3,792)	(5,444)
At 30 September	<u>(50,397)</u>	<u>(46,605)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2014	2013
	£	£
At 1 October	(44,529)	(39,085)
Loss for the financial year	(3,792)	(5,444)
At 30 September	<u>(48,321)</u>	<u>(44,529)</u>

12. 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

13. 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.

(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.

14. 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 NHP Holdco 1 Limited group have not been disclosed in these financial statements.

No other related party transaction is noted.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2014

15 ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking is NHP Holdco 1 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 13, 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