

LIBRA CARECO LIMITED

**Annual Report and Financial Statements
For the year ended 30 September 2018**



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

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

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr J Hutchens
Mr D Smith

REGISTERED OFFICE

Southgate House
Archer Street
Darlington
County Durham DL3 6AH

AUDITOR

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Libra CareCo Limited ("the Company"), together with the financial statements and auditor's report for the year ended 30 September 2018. 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 activities of the Company's subsidiaries were the purchase and retention of freehold and long leasehold interests, in modern, purpose-built care homes.

The principal activity of the Company is to act as a holding company, which conducts corporate activities on behalf of the Company's parent undertaking, FC Skyfall Upper Midco Limited and its subsidiaries (the "Group"). The Directors intend to continue these activities in the forthcoming year.

BUSINESS REVIEW

In the year to 30 September 2018, the Company has continued to act as a holding company and this will continue in the foreseeable future.

RESULTS

Loss before taxation for the year was £23.8m (2017: 23.1m). The Company's net liabilities were £162.3m (2017: £137.9m).

DIVIDENDS

No dividends in respect of the year are proposed (2017: £nil).

DIRECTORS

The following Directors served during the year, and to the date of signing:

Mr J Hutchens
Mr D Smith

The ultimate parent undertaking of the Company, FC Skyfall TopCo Limited has made qualifying third party indemnity provisions for the benefit of the Company's Directors and the directors of all its other subsidiaries, which were made during the year and remain in force to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of the Company have the overall responsibilities for the FC Skyfall Upper Midco Limited group ("the Group"), of which the Company is a subsidiary. The principal risks and uncertainties of the Group also apply to the Company. The consolidated financial statements of FC Skyfall Upper Midco Limited are publicly available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

There are no further risks specific to the Company.

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 Company holds a financial support letter from the Group and is thus well placed to continue as a holding company within the Group.

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

DIRECTORS' REPORT (Continued)

GOING CONCERN (Continued)

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 continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SUBSEQUENT EVENTS

No significant events are noted between the year ended 30 September 2018 and to the date of signing this report. See note 13 to the financial statements.

AUDITOR

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have 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.

Approved by the Board and signed on its behalf by:



Mr D Smith
Director
Date: 25 January 2019
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) 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 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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Libra CareCo 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 loss 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 requirements of the Companies Act 2006.

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 15.

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 the 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 report², other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 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; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.

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

Use of our report

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.



David Johnson (Senior Statutory Auditor (FCA))
for and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
Date: 25 January 2019

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2018

	Notes	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Administrative expenses		(21,333)	(22,792)
OPERATING LOSS		(21,333)	(22,792)
Net interest payable and similar expenses	3	(23,755,408)	(23,095,584)
LOSS BEFORE TAXATION	4	(23,776,741)	(23,118,376)
Tax on loss	5	(536,337)	(9,138,400)
LOSS FOR THE FINANCIAL YEAR		<u>(24,313,078)</u>	<u>(32,256,776)</u>

Results are derived wholly from continuing operations.

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

LIBRA CARECO LIMITED

BALANCE SHEET
As at 30 September 2018

			2018	2017
	Notes	£	£	£
FIXED ASSETS				
Investments	6		582,142,823	582,142,823
CURRENT ASSETS				
Debtors	7	3,858,209		3,764,016
Deferred tax	8	-		536,337
		<u>3,858,209</u>		<u>4,300,353</u>
CREDITORS: amounts falling due within one year	9	<u>(685,933,217)</u>	<u>(662,062,283)</u>	
NET CURRENT LIABILITIES			<u>(682,075,008)</u>	<u>(657,761,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(99,932,185)	(75,619,107)
CREDITORS: amounts falling due after more than one year	10		<u>(62,330,588)</u>	<u>(62,330,588)</u>
NET LIABILITIES			<u>(162,262,773)</u>	<u>(137,949,695)</u>
CAPITAL AND RESERVES				
Called-up share capital	11		1,900	1,900
Profit and loss account	11		<u>(162,264,673)</u>	<u>(137,951,595)</u>
SHAREHOLDERS' DEFICIT			<u>(162,262,773)</u>	<u>(137,949,695)</u>

These financial statements of Libra CareCo Limited (registered number 05296600) were approved by the Board of Directors and authorised for issue on 25 January 2019. They were signed on its behalf by:



Mr D Smith
Director

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

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2016	1,900	(105,694,819)	(105,692,919)
Loss for the financial year and total comprehensive loss	-	(32,256,776)	(32,256,776)
At 30 September 2017	1,900	(137,951,595)	(137,949,695)
Loss for the financial year and total comprehensive loss	-	(24,313,078)	(24,313,078)
At 30 September 2018	1,900	(162,264,673)	(162,262,773)

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 year and the preceding year.

General information and basis of accounting

Libra CareCo Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activity is set out in the Directors' report on page 2.

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 a cash flow statement, remuneration of key management personnel, related party transactions and financial instruments.

Exemption from consolidation

The Company has taken advantage of section 400 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.

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 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 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.

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 resources to continue to support the Company.

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 continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

1. ACCOUNTING POLICIES (Continued)

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 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 periods 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. 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.

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.

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.

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

1. ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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, other than those measured at fair value, 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.

2. CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Group'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. There are no critical accounting judgements in the preparation of the financial statements.

Key sources of estimation uncertainty

Determining whether the investment in subsidiary undertakings should be impaired based on the financial position and future prospect of the investment requires judgement. See note 6.

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

3. NET INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 30 September 2018	Year ended 30 September 2017
	£	£
Interest receivable on loan notes to group undertaking	94,193	94,128
Interest payable on loan from group undertakings	(23,849,601)	(23,189,712)
	<u>(23,755,408)</u>	<u>(23,095,584)</u>

4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:

	Year ended 30 September 2018	Year ended 30 September 2017
	£	£
Group management fees	<u>14,333</u>	<u>15,792</u>

The analysis of auditor's remuneration is as follows:

	Year ended 30 September 2018	Year ended 30 September 2017
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	3,000	3,000
Non audit fees for tax compliance services	<u>4,000</u>	<u>4,000</u>
	<u>7,000</u>	<u>7,000</u>

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

The Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current year and preceding year, and were not recharged to the Company. It is not possible to split out the costs appropriately across all entities within the Group.

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

5. TAX ON LOSS

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Deferred tax:		
Effect of changes in tax rates	-	(792,431)
Origination and reversal of timing differences	-	6,183,913
Adjustment in respect of previous periods	536,336	3,746,919
Rounding	1	(1)
Total tax charge	<u>536,337</u>	<u>9,138,400</u>
Loss before tax	(23,776,741)	(23,118,376)
Tax on loss at standard rate of 19.0% (2017: 19.5%)	(4,517,581)	(4,507,767)
Factors affecting tax charge:		
Gains/rollover relief etc	-	6,188,357
Adjustment from previous periods	536,336	3,746,919
Group relief surrendered for nil consideration	4,513,528	4,503,323
Expenses not deductible	4,053	-
Tax rate changes	-	(792,431)
Rounding	1	(1)
Total tax charge for the year	<u>536,337</u>	<u>9,138,400</u>

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.

6. INVESTMENTS

	Shares in subsidiary undertakings £
Cost and net book value At 1 October 2017 and 30 September 2018	<u>582,142,823</u>

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

6. INVESTMENTS (Continued)

Shares in subsidiary undertakings

At 30 September 2018, the Company held investments directly or indirectly in the following principal subsidiary undertakings:

Name	Country of incorporation	Holdings %	Principal activity
NHP Limited ^{*a}	United Kingdom	100%	Parent company of subsidiary undertakings with investment in care home properties
NHP Securities No.1 Limited ^a	United Kingdom	100%	Investment in care home properties
NHP Securities No.2 Limited ^a	United Kingdom	100%	Investment in care home properties
NHP Securities No.3 Limited ^a	United Kingdom	100%	Investment in care home properties
NHP Securities No.4 Limited ^a	United Kingdom	100%	Dormant company
NHP Securities No.9 Limited ^b	Jersey	100%	Dormant company
NHP Securities No.11 Limited ^b	Jersey	100%	Parent company of NHP Securities No.9 Limited
NHP Management Limited ^a	United Kingdom	100%	Management of care home property portfolios
NHP Operations (York) Limited ^a	United Kingdom	100%	Care home property development
LLNH Limited ^a	United Kingdom	100%	Dormant company
Care Homes No.1 Limited ^c	Cayman Islands	100%	Investment in care homes properties

^{*}held directly by Libra CareCo Limited. All others are indirect

All shares held are ordinary shares.

^a The registered address is Southgate House, Archer Street, Darlington, County Durham, DL3 6AH

^b The registered address is 47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD.

^c The registered address is c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

7. DEBTORS

	2018	2017
	£	£
Amount due within one year:		
Loan note due by group undertaking	1,018,300	1,018,300
Amounts due from group undertakings	<u>2,839,909</u>	<u>2,745,716</u>
	<u>3,858,209</u>	<u>3,764,016</u>

Loan note due by group undertaking

As at 30 September 2018, a loan note of £1,018,300 (2017: £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.

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

7. DEBTORS (Continued)

Amounts due from group undertakings

As at 30 September 2018 NHP Holdco 1 Limited owed £15,377 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £15,377).

As at 30 September 2018 NHP Holdco 2 Limited owed £15,376 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £15,376).

As at 30 September 2018 NHP Holdco 3 Limited owed £15,377 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £15,377).

As at 30 September 2018 Libra CareCo Investments 1 Limited owed £1,734,900 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £1,734,900).

As at 30 September 2018 NHP Operations (York) Limited owed £1,058,879 and this amount is due on demand with no fixed repayment date and bears no interest (2017: £964,686).

8. DEFERRED TAXATION

	2018 £	2017 £
Losses	-	(536,337)
	-	(536,337)

	2018 £	2017 £
Deferred tax assets		
Provision at 1 October	536,337	9,674,737
Adjustment in respect of prior years	(536,336)	(3,746,919)
Deferred tax charge for the year	-	(5,391,482)
Other - rounding	(1)	1
Provision at end of year	-	536,337

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Loan notes payable to group undertakings	423,043,786	423,043,786
Loan note interest payable to group undertakings	149,389,923	125,540,324
Amounts due to group undertakings	113,495,508	113,474,173
Accruals	4,000	4,000
	685,933,217	662,062,283

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

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

Loan notes payable to group undertakings

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 (Libra) CareCo UK Limited. TBG (Libra) 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. The loan notes outstanding amount at 30 September 2018 is nil (2017: £92,629,161). This loan was re-assigned to Libra CareCo Investments 2 Limited as part of the group re-organisation on 29 September 2005. This loan has re-assigned to Libra CareCo Investments 1 Limited on 28 June 2017.

On 28 September 2013 the Company issued a loan note of £330,414,625 to NHP Securities No.3 Limited, a group undertaking, 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 amount of £330,414,625 remains outstanding at 30 September 2018 (2017: £330,414,625).

On 28 June 2017, the loan between Libra CareCo Investments 2 Limited and the Company, was re-assigned to Libra CareCo Investments 1 Limited. The loan notes have no fixed repayment dates and bear interest at 10% per annum. The loan notes outstanding amount at 30 September 2018 is £92,629,161 (2017: nil).

Amounts due to group undertakings

As at 30 September 2018 the Company owed Libra CareCo Investments 2 Limited £98,780,003 (2017: £98,780,003) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 the Company owed NHP Management Limited £1,196,629 (2017: £1,175,298) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 the Company owed NHP Limited £13,460,655 (2017: £13,460,655) and this amount is unsecured and due on demand with no repayment date, bearing no interest.

As at 30 September 2018 the Company owed Libra GuaranteeCo Limited £58,217 (2017: £58,217) 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	62,330,588	62,330,588
	<u>62,330,588</u>	<u>62,330,588</u>

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. The loan amount of £62,330,588 remains outstanding at 30 September 2018 (2017: £62,330,588).

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

11. CAPITAL AND RESERVES

	2018	2017
	£	£
Called-up, allotted and fully paid:		
190,000 Ordinary Shares at 1p each	1,900	1,900

The profit and loss reserve represents cumulative profits and losses.

12. 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 25 January 2019 the outstanding loan amount is £273m.

13. SUBSEQUENT EVENTS

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

14. RELATED PARTY TRANSACTIONS

The Company has taken the 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.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 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 Intermediate Holdco 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.