FSHC Opco Acquisitions Limited

Directors' report and financial statements

Registered number 05511396

31 December 2011

Contents

Directors' report

The directors present their annual report and the financial statements from the year ended 31 December 2011

Principal activity

The principal activity of the company is that of a holding company

Going concern

On 29 April 2012 the company's ultimate parent (FSHC (Guernsey) Holdings Limited) entered into a conditional sale and purchase agreement ("SPA") for the sale of the entire issued share capital of FSHC (Jersey) Holdings Limited and that company's subsidiary undertakings (together, the "FSHC Jersey Group"), to Elli Capital Limited The sale was completed on 12 July 2012

As part of the acquisition by Elli Capital Limited, all debt-related liabilities owed by FSHC Jersey Group were repaid in full on 12 July 2012 Elli Capital Limited and its subsidiary undertakings (together, the "Elli Group") entered into a £525 million debt facility as part of the acquisition Of this, £350 million pays interest at 8 75% and is due for repayment in 2019 and £175 million pays interest at 12 25% and is due for repayment in 2020 This provides the group with a more stable and secure financial structure

The directors have a reasonable expectation that the company, together with the Elli Group have adequate resources to continue in operational existence for the foreseeable future The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis Please refer to note 1 for further detail

Results and dividends

The results for the year are shown in the profit and loss account on page 5 The directors do not recommend the payment of a dividend (*2010 £nil*)

Directors

The directors during the period under review were

P Calveley
D J Kay
B R Taberner

Details of ultimate ownership

At the year end the ultimate parent undertaking was FSHC (Guernsey) Holdings Limited, an entity incorporated in Guernsey From the 12 July 2012 the ultimate parent undertaking is Elli Capital Limited, an entity incorporated in Guernsey

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

D J Kay
Secretary

Emerson Court
Alderley Road
Wilmslow
Cheshire
SK9 1NX
28/9/2012

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of FSHC Opco Acquisitions Limited

We have audited the financial statements of FSHC Opco Acquisitions Limited for the year ended 31 December 2011 set out on pages 5 to 12 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 to express an opinion on, and to 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm.

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 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of FSHC Opco Acquisitions Limited

(continued)

Matters on which we are required to report by exception

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

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

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

28/9/2012

Profit and loss account

for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Operating result		-	-
Interest payable	*3*	(1,002)	(955)
Loss on ordinary activities before tax		(1,002)	(955)
Tax on loss on ordinary activities	*4*	-	-
Loss on ordinary activities after taxation and for the financial year		(1,002)	(955)

The company has no recognised gains or losses in the current or prior year other than those reported above and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
at 31 December 2011

	Note	2011 £000	2010 £000
Fixed assets			
Investments	5	**18,909**	18,909
Current assets			
Debtors	6	**170**	170
Creditors: amounts falling due within one year	7	**(25,031)**	(24,029)
Net current liabilities		**(24,861)**	(23,859)
Net liabilities		**(5,952)**	(4,950)
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	**(5,952)**	(4,950)
Shareholder's deficit		**(5,952)**	(4,950)

The financial statements include the notes on pages 8 to 12

These financial statements were approved by the board of directors on 28|9|2012 and were signed on its behalf by

B. R. Taberner

B R Taberner
Director

Reconciliation of movements in shareholder's deficit
for the year ended 31 December 2011

	2011	2010
	£000	£000
Opening shareholder's deficit	(4,950)	(3,995)
Loss for the financial year	(1,002)	(955)
Closing shareholder's deficit	**(5,952)**	(4,950)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and within the requirements of the Companies Act 2006

Going concern

In presenting the financial statements on a going concern basis, the directors have considered the company's business activities together with factors likely to affect future performance and financial position These include cash flows, and the risks and uncertainties relating to the company's business activities

On 29 April 2012 the company's ultimate parent (FSHC (Guernsey) Holdings Limited) entered into a conditional sale and purchase agreement ("SPA") for the sale of the entire issued share capital of FSHC (Jersey) Holdings Limited and that company's subsidiary undertakings (together, the "FSHC Jersey Group"), to Elli Capital Limited The sale was completed on 12 July 2012

As part of the acquisition by Elli Capital Limited, all debt-related liabilities owed by FSHC Jersey Group were repaid in full on 12 July 2012 Elli Capital Limited and its subsidiary undertakings (together, the "Elli Group") entered into a £525 million debt facility as part of the acquisition Of this, £350 million pays interest at 8 75% and is due for repayment in 2019 and £175 million pays interest at 12 25% and is due for repayment in 2020 This provides the group with a more stable and secure financial structure

At 31 December 2011 the company is dependent on funding provided by group companies For this reason the funding position of the company is dependent on that of the Elli Group as a whole

The group has carefully considered its cash flows and financial covenants for at least twelve months from the date of signing the financial statements These have been appraised in light of the uncertainty in the current economic climate and, as such, conservative assumptions for working capital performance have been used to determine the level of financial resources available to the company and the Elli Group

The Elli Group's forecasts and projections, sensitised to take into account all reasonably foreseeable changes in trading performance, show that the Elli Group has sufficient funding and covenant headroom within its current financing arrangements

After making appropriate enquiries, the directors have a reasonable expectation that the company and the Elli Group have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements

Related party transactions

The directors have taken advantage of the exemption in FRS 8, Paragraph 3(c) and as the company is a wholly owned subsidiary of FSHC (Jersey) Holdings Limited have not disclosed related party transactions with parent and fellow subsidiary undertakings

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as at 31 December 2011 it was a wholly owned subsidiary undertaking of FSHC (Jersey) Holdings Limited, and its cash flows are included within the consolidated cash flow statement of that company

Group accounts

The company has not prepared group accounts as it is exempt from doing so by section 401 of the Companies Act 2006 as it is included in the consolidated financial statements of FSHC (Jersey) Holdings Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Current tax, including UK corporation tax and foreign 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 result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset 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

Investments

Investments are included at cost, less amounts written off

Guarantees

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other related parties which are subsidiaries of its ultimate parent, the company considers these to be insurance arrangements and accounts for them as such In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make payment under the guarantee

2 Loss on ordinary activities before taxation

During the year and prior period the company had no employees, the directors received no remuneration from the company for their services

The auditor's remuneration of £1,850 (*2010 £1,800*) for audit services was borne by another group undertaking Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

3 Interest payable and similar charges

	2011	2010
	£000	£000
Interest payable to group undertakings	**1,002**	955

Notes *(continued)*

4 Tax on loss on ordinary activities

	2011	2010
	£000	£000
Current tax on income for the year	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (*2010 higher*) than the standard rate of corporation tax in the UK (26 5%, *2010 28%*) due principally to the surrender of current year losses to other group companies The differences are explained below

	2011	2010
	£000	£000
Current tax reconciliation		
Loss on ordinary activities before tax	**(1,002)**	(955)
Current tax at 26 5% (*2010 28%*)	**(266)**	(267)
Effects of		
Group relief for nil consideration	**266**	267
Total current tax charge (see above)	-	-

Factors that may affect future current and total tax charge

On the 23 March 2011 the Chancellor announced that the main rate of UK corporation tax will reduce from 26% to 25% with effect from 1 April 2012 This change became substantively enacted in July 2011 and therefore the effect of the rate reduction on the deferred tax balances has been included in the figures above

On 21 March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 This change became substantively enacted on 26 March 2012 As this rate was not substantively enacted at the balance sheet date it has not been reflected in the above figures

The Chancellor has also proposed changes to further reduce the main rate of UK corporation tax by 1% per annum to 22% by 1 April 2014 These reductions have not been substantively enacted the changes are not reflected in the above figures

Notes *(continued)*

5 Investments

	Shares in group Companies £000
Cost	
At beginning and end of year	**18,909**

The company's principal subsidiaries are as follows

Company	*Holding*	*Nature of business and place of incorporation*
Four Seasons (Emmanuel Christian Care Home) Limited	100%	Provision of healthcare services Incorporated in the United Kingdom
Four Seasons (Bamford Grange) Limited	100%	Provision of healthcare services Incorporated in the United Kingdom
Four Seasons (Headington) Limited	100%	Provision of healthcare services Incorporated in the United Kingdom
Granby Holdings Limited	100%	Holding company Incorporated in the United Kingdom

6 Debtors

	2011 £000	2010 £000
Amounts due from group undertakings	**170**	170

The amounts owed by group undertakings are interest free, unsecured and repayable on demand

7 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to related undertakings	**25,031**	24,029

The amounts due to group undertakings are unsecured and repayable on demand Interest is charged at nil or 5%

Notes *(continued)*

8 Called up share capital

	2011		2010	
	No of shares	**£000**	No of shares	£000
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	-	1	-

9 Reserves

	Profit and loss account £000
At beginning of the year	(4,950)
Loss for the financial year	(1,002)
At end of year	**(5,952)**

10 Contingent liabilities

The company, together with its parent and fellow subsidiary undertakings is party to a number of financing arrangements The implications of this are explained more fully in note 1

11 Ultimate parent company

The company's immediate parent company is FSHC Jersey Developments Limited

At the year end the ultimate parent undertaking was FSHC (Guernsey) Holdings Limited, an entity incorporated in Guernsey From the 12 July 2012 the ultimate parent undertaking is Elli Capital Limited, an entity incorporated in Guernsey

The largest and smallest group in which the results of the company are consolidated is that headed by FSHC (Jersey) Holdings Limited The consolidated financial statements of this company are available to the public and may be obtained from Ogier Corporate Services (Jersey) Limited, Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG