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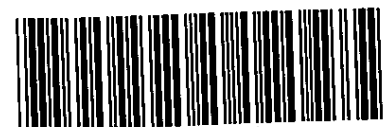
Company Registration No. FC027204

NHP SECURITIES NO.5 LIMITED

Report and Financial Statements

30 September 2012

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REPORT AND FINANCIAL STATEMENTS 2012

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REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M J M Jensen
P H Thompson

SECRETARY

Dominion 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 and loss of the Company for that period. In preparing these financial statements, the Directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and accounting estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- (d) 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.5 LIMITED

We have audited the financial statements of NHP Securities No 5 Limited for the year ended 30 September 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 12. 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, 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 Statement of Directors' Responsibilities, 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. 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 2012 and of its result 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 requirements of the provisions of the Companies Act 2006 applicable to overseas companies.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHP SECURITIES NO.5 LIMITED

(Continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company is reliant on the Group to continue as a going concern.

The Group is in breach of the financial covenants in its loan agreement (as described in note 16 of the LIBRA No 2 Limited's 30 September 2012 financial statements). The Directors are in discussion with Capita Asset Services (UK) Limited regarding a resolution of the breach. However, the outcome of these discussions and the timing of their conclusion are uncertain.

These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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 require 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 with the accounting records and returns, or
- we have not received all the information and explanations we require for audit



Deloitte LLP
Chartered Accountants
London, United Kingdom
Date 27 February 2013

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2012

	Notes	2012 £	2011 £
TURNOVER AND GROSS PROFIT	3	500	500
Administrative expenses		(500)	(500)
OPERATING RESULT	4	-	-
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on result on ordinary activities	5	-	-
RESULT ON ORDINARY ACTIVITIES AFTER TAXATION AND RESULT FOR THE YEAR	8	-	-

All results are derived from continuing operations

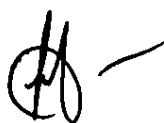
There are no recognised gains or losses in the current year or preceding year other than as stated above. No statement of recognised gains or losses has, therefore, been presented.

BALANCE SHEET
30 September 2012

	Notes	2012 £	2011 £
CURRENT ASSETS			
Debtors	6	-	-
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	7	10,000	10,000
Profit and loss account		(10,000)	(10,000)
SHAREHOLDERS' FUNDS	8	-	-

These financial statements were approved and authorised for issue by the Board of Directors on 27 February 2013
The Company Registration number is FC027204

Signed on behalf of the Board of Directors



J M J M Jensen
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2012

1. GOING CONCERN

The Company is a guarantor for a term loan entered into by another company in a group of companies of LIBRA No 2 Limited, the Company's parent undertaking (the "Group")

The Group has been in breach of the covenants on its term loans since November 2008 and as at 30 September 2012 and at 27 February 2013 the term loan amounts remain outstanding (see note 16 of LIBRA No 2 Limited's 30 September 2012 financial statements for further details) Since November 2008 the term loans have been under a series of standstill agreements and on 14 January 2013 a further standstill agreement was put in place, expiring on 12 April 2013

During the year, HC-One Limited ("HC-One"), a new subsidiary undertaking of the Group was formed to operate care homes On 31 October 2011 HC-One took over the operation of 247 care homes owned by the Group through assignment of the operating leases from Southern Cross Healthcare Group plc ("Southern Cross") following the conclusion of its restructuring process

In order to protect the Group's investment and ensure funds were available to underwrite a substantial investment programme in its care homes to maintain and improve the quality of care in them, the Directors of the Company and of the Group have retained some of the rental income monies received from the Group's tenants during 2011 and 2012 through a series of non-full interest payments (which had been acknowledged in the standstill agreements) to the Group's lenders This has enabled the Group to provide a total amount of £55 million to HC-One by way of capital contribution of £5 million and inter-company loans of £25 million in October 2011 and a further inter-company loan of £25 million in December 2012

The Group now controls both the property and the operations of over 240 care homes and can therefore ensure that HC-One is able to operate those homes without the burden of uneconomic rent obligations Whilst the Group must resolve its outstanding debts in the medium term, the Directors of the Company and of the Group have advised Capita Asset Services (UK) Limited ('Capita'), the Servicer and the Special Servicer to the Senior Loan that the Group intend to continue to withhold amounts of rental from debt service albeit at a lower level than previously, to ensure that HC-One remains properly funded This would allow HC-One to stabilise its business and to complete a comprehensive programme of capital investment with a view to enhancing the value of the Group and improve future recoveries for the Group's lenders

In the opinion of the Directors of the Company and of the Group, the long-term value of the Group will only be achieved through supporting the care home operations at HC-One

The discussions with respect to restructuring the term loan of the Company and of the Group with its lenders are ongoing (the *Potential Restructuring*)

The Directors of the Group and of the Company and Capita continue to explore methods to maximise recoveries to the lenders, including the sale of the whole or part of the Group and/or properties (the *Disposal Options*)

On 12 February 2013 the Libra Group lenders have confirmed by a support letter that it is their intention to provide the Group with the funds it requires including, without limitation, reasonable (a) day-to-day operating costs and expenses, (b) restructuring and/or disposal costs, (c) other exceptional costs incurred in relation to the Disposal Options and/or the Potential Restructuring, and (d) ensuring that HC-One has sufficient funds to ensure continuity of care services at the homes and investment for the future in accordance with the HC-One business plan dated 18 October 2012 Based on this assumption, the Group have prepared a forecast cash flow up to 30 September 2015 which demonstrates that the Group remains cash positive throughout the period to that date

Given these circumstances, the Directors do not currently expect the Group to go into insolvent liquidation, although this position could change if the negotiations for which the current standstill agreement allows were to fail Given the above, there is a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and therefore indicate that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business which have a consequential impact on the Company

At the present time, the Directors consider it appropriate to prepare the Group and the Company financial statements on the going concern basis In the event that the going concern basis should become inappropriate, the assets of the Group and the Company would be written down to their recoverable value and provision made for any further liabilities that may arise At this time it is not practicable to quantify such adjustments

NOTES TO THE FINANCIAL STATEMENTS**Year ended 30 September 2012****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 2011. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (as issued by ASB). The financial statements have been audited in accordance with International Standards on Auditing (UK and Ireland).

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.

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 LIBRA No 2 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

	2012 £	2011 £
Trustee fees due from Care Homes No 2 (Cayman) Limited	500	500
Provision of doubtful debts – group undertakings	(500)	(500)

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 2011: £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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2012

5. TAX ON RESULT ON ORDINARY ACTIVITIES

	2012 £	2011 £
Corporation tax charge	-	-
Result before tax	-	-
Tax on result at standard rate of 20% (2011 21%)	-	-
Factors affecting charge		
Non deductible provisions	100	103
Group relief for nil consideration	(100)	(103)
	-	-

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

6. DEBTORS

	2012 £	2011 £
Amounts due from group undertakings	-	-

7. CALLED UP SHARE CAPITAL

	2012 £	2011 £
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
	10,000	10,000

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.

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Result for the year	-	-
Net increase in shareholders' funds	-	-
Shareholders' funds at the beginning of the year	-	-
Shareholders' funds at the end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2012

9 CONTINGENT LIABILITIES AND GUARANTEES

The Company is one of the guarantors to a £1,172 million term loan facility agreement entered into by LIBRA No 3 Limited, a group undertaking with CS Funding 1 Limited, a group undertaking of Credit Suisse on 15 January 2007. The facility is secured by a fixed and floating charge on group assets and unlimited guarantee from its group undertakings. On 4 April 2007 CS Funding 1 Limited's rights and obligations under the £1,172 million term loan agreement were assigned to Libra NHP (2007) Limited, who in turn assigned £638 million to Titan Europe 2007-1 (NHP) Limited on 24 May 2007.

10. POST BALANCE SHEET EVENT

a) On 25 January 2013 the Company together with HC-One Limited and some of its other group undertakings entered into a Deed of Amendment to the Agreement for the Provision of Management Services with Court Cavendish Healthcare Management Services Limited dated 29 September 2011 for the provision of management services to HC-One Limited, a care home operator, with effect from 1 January 2013, at management fees of £2.5 million per annum (excluding VAT).

b) On 14 January 2013 a standstill agreement was put in place until 12 April 2013 which suspends the ability of Capita Asset Services (UK) Limited, the loan servicer, to exercise its rights in relation to certain specified events of default. Also, it allows the Group time to negotiate a solution to the problem of the breached covenants without threat of foreclosure.

11. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings within the LIBRA No 2 Limited group have not been disclosed in these financial statements.

12. ULTIMATE PARENT UNDERTAKING

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

The ultimate parent undertaking is Delta Commercial Property LP, a limited partnership incorporated and registered in the Isle of Man.

The results of the Company are consolidated within LIBRA No 2 Limited, its intermediate parent undertaking, a company incorporated and registered in the Cayman Islands. LIBRA No 2 Limited is both the smallest and largest group including the Company for which consolidated accounts are prepared.

Copies of the LIBRA No 2 Limited group consolidated financial statements to 30 September 2012, which include the results of the Company, are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.