

COMPANY NO: 3403304

KINTRA LIMITED

ANNUAL REPORT

◆ *Year ended 31 December 2002* ◆



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KINTRA LIMITED

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KINTRA LIMITED

COMPANY INFORMATION

Directors	M J G King C M Ireland G Y Yardley M Clark (Alternate) G Walker
Secretary	S A F Bailey
Registered office	7 Stratford Place London W1C 1ST
Registered number	3403304
Auditors	RSM Robson Rhodes LLP Chartered Accountants Bryanston Court Selden Hill Hemel Hempstead HP2 4TN
Bankers	Royal Bank of Scotland plc P O Box 412 62/63 Threadneedle Street London EC2R 8LA

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal Activities

The company was formed as a special purpose vehicle to provide Gwent Health Care NHS Trust with serviced hospital facilities under an operating agreement signed 13 February 1998.

Results and Future Prospects

The directors consider the results for the year which are set out in the profit and loss account to be satisfactory and that the company will continue to perform satisfactorily given a favourable economic climate. The directors do not recommend payment of a dividend (2001: nil).

Small Company Status

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Directors

The directors of the company during the year were as shown below. There were no beneficial interests of the directors in the shares of the company.

Directors	M J G King
	C M Ireland
	G Y Yardley
	M Clark (Alternate, appointed 28 June 2002)
	G Walker (Appointed 28 June 2002)
Company Secretary	A J L Peake - resigned 30 April 2003
	S A F Bailey - appointed 30 April 2003

REPORT OF DIRECTORS *Continued*

Statement of Directors' Responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or profit of the company for that year. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

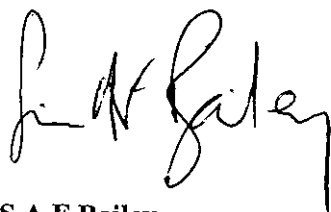
The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

In May 2003, RSM Robson Rhodes transferred its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called RSM Robson Rhodes LLP.

The directors have used their statutory powers to treat the appointment of RSM Robson Rhodes as extending to RSM Robson Rhodes LLP. RSM Robson Rhodes LLP are willing to continue in office, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board



S A F Bailey
Company Secretary
21st October 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KINTRA LIMITED.

We have audited the financial statements on pages 5 to 13.

This report is made solely to the company's shareholders as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders these 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 shareholders as a body, for our audit, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP,
Chartered Accountants and Registered Auditors,
Hemel Hempstead, England

21 October 2003

KINTRA LIMITED**PROFIT & LOSS ACCOUNT**
for the year ended 31 December 2002

	Note	2002	2001
		£	£
Turnover: continuing operations		1,728,251	1,696,719
Cost of sales		(1,237,072)	(1,325,898)
		<hr/>	<hr/>
Gross Profit		491,179	370,821
Administrative expenses		(83,849)	(80,959)
		<hr/>	<hr/>
Operating Profit: continuing operations	3	407,330	289,862
Interest receivable	4	29,084	34,782
Interest payable	5	(299,043)	(310,311)
		<hr/>	<hr/>
Profit on Ordinary Activities			
Before Taxation		137,371	14,333
Taxation	6	(111,000)	(71,000)
		<hr/>	<hr/>
Retained Profit/(Loss) for the Financial Year		26,371	(56,667)
		<hr/>	<hr/>

The company has no recognised gains or losses nor movements in shareholders' funds for the current financial year other than as stated in the profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

KINTRA LIMITED**BALANCE SHEET**
as at 31 December 2002

	Note	2002 £	2001 £
Fixed Assets			
Tangible fixed assets	7	8,315,238	8,695,539
Current Assets			
Debtors	8	3,125	68,214
Cash at bank and in hand		954,892	1,298,752
		958,017	1,366,966
Creditors: amounts falling due within one year			
Creditors	9	(308,193)	(937,945)
Deferred income	10	(5,309,508)	(5,549,508)
		(5,617,701)	(6,487,453)
Net Current Liabilities		(4,659,684)	(5,120,487)
Total Assets Less Current Liabilities		3,655,554	3,575,052
Creditors: amounts falling due after more than one year	11,12	(3,206,748)	(3,263,617)
Provisions for liabilities and charges	6	(302,000)	(191,000)
Net Assets		146,806	120,435
Capital & Reserves			
Called up share capital	13	10,000	10,000
Designated reserve	14	162,739	162,739
Profit and loss account	14	(25,933)	(52,304)
Equity Shareholders' Funds		146,806	120,435

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 21st October 2003 and signed on its behalf by:



G J Yardley
Director

NOTES TO THE FINANCIAL STATEMENTS
31 December 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention.

Turnover

Turnover represents fees receivable for the provision of a hospital and its services during the year, exclusive of VAT.

Cash Flow Statement

The directors have relied on the exemption conferred on small companies by Financial Reporting Standard 1 and accordingly no such statement has been prepared for these accounts.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Fixtures, fittings and equipment	25%	reducing balance
Premises	4%	straight line

Tangible fixed assets and finance costs

It is company policy to capitalise all directly attributable finance costs associated with the construction of freehold land and buildings. Any loan agreement fees will be amortised over the term of the loan.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Full provision for deferred taxation is made under the liability method, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2002**2. DIRECTORS' EMOLUMENTS**

Directors received no emoluments for their services as directors during the year to 31 December 2002 (2001: nil)

3. OPERATING PROFIT

This is arrived at after charging:

	2002 £	2001 £
Depreciation of tangible fixed assets	380,301	382,595
Amortisation of loan issue costs	14,900	14,900

Auditors' remuneration for audit services was £6,700 (2001: £6,700) and for non-audit services £1,750 (2001: £1,750).

4. INTEREST RECEIVABLE

	2002 £	2001 £
Bank interest	29,084	34,782

5. INTEREST PAYABLE

	2002 £	2001 £
Bank loan	299,043	310,311

KINTRA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

6. TAXATION

	2002 £	2001 £
United Kingdom Corporation Tax		
Deferred tax	111,000	71,000
	<u> </u>	<u> </u>
		2002 £
Movement in Deferred tax		
Balance at 1 January 2002		191,000
Movement in year		111,000
Balance at 31 December 2002		<u>302,000</u>

KINTRA LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 2002**7. TANGIBLE FIXED ASSETS**

	2002 Freehold Premises £	2002 Office Equipment £	2002 Office Furniture £	2002 Total £
Cost or Valuation at 1 January 2002	9,371,104	29,075	9,606	9,409,785
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December 2002	<u>9,371,104</u>	<u>29,075</u>	<u>9,606</u>	<u>9,409,785</u>
Depreciation				
Balance at 1 January 2002	697,393	12,720	4,133	714,246
Disposals	-	-	-	-
Charge for year	374,844	4,089	1,368	380,301
Balance at 31 December 2002	<u>1,072,237</u>	<u>16,809</u>	<u>5,501</u>	<u>1,094,547</u>
Net book value at 31 December 2002	<u>8,298,867</u>	<u>12,266</u>	<u>4,105</u>	<u>8,315,238</u>
Net book value at 31 December 2001	<u>8,673,711</u>	<u>16,355</u>	<u>5,473</u>	<u>8,695,539</u>

The leasehold premises book value includes £123,815 (2001: £128,974) of directly attributable finance costs.

8. DEBTORS

	2002 £	2001 £
Other debtors	<u>3,125</u>	<u>68,214</u>

NOTES TO THE FINANCIAL STATEMENTS**31 December 2002****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Bank loan	96,028	131,241
Receipts in advance	-	417,729
Trade creditors	78	160,269
Amounts owed to group companies	-	170
Other taxation and social security	40,716	25,936
Accruals	43,180	74,409
Retentions payable	128,191	128,191
	<u>308,193</u>	<u>937,945</u>

10. DEFERRED INCOME

	2002
	£
Opening balance at 1 January 2002	5,549,508
Movement during the year	(240,000)
Closing balance at 31 December 2002	<u>5,309,508</u>

An advance payment of service fees was received from Glan Hafren NHS Trust. With the successful completion of the building contract on 14 February 2000 and the acceptance by the Trust that the Hospital meets their output requirements it is company policy to release this balance to the profit and loss account on a straight line basis over the period of the agreement.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Bank loan	<u>3,206,748</u>	<u>3,263,617</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2002

12. BORROWING ANALYSIS

	2002	2001
	£	£
BANK LOAN		
	96,028	131,241
Over 1 but less than 2 years	97,758	89,665
Over 2 but less than 5 years	303,955	280,425
After 5 years	2,805,035	2,893,527
	<u>3,302,776</u>	<u>3,394,858</u>

The amount shown as bank loan is stated net of the arrangement fee of £332,767 (2001: £347,667) which is being amortised over the period of the loan in accordance with FRS 4.

The bank loan is secured by a fixed charge over the assets of the company.

The interest rate for the bank loan during the year was 5.9% (based on the weighted average of the rates applicable to the entity's general borrowing outstanding during the year)

13. SHARE CAPITAL

	2002	2001
	£	£
Authorised:- 10,000 ordinary shares of £1 each	10,000	10,000
Allotted, issued and fully paid:- 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14. MOVEMENT IN SHAREHOLDERS' FUNDS

	2002	2002	2002
	£	£	£
	Designated Reserve	Profit & Loss Account	Total
Opening shareholders' funds	162,739	(52,304)	110,435
Profit for the year	-	26,371	26,371
Closing shareholders' funds	<u>162,739</u>	<u>(25,933)</u>	<u>136,806</u>

The designated reserve relates to amounts set aside for future capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS**31 December 2002****15. ULTIMATE HOLDING COMPANY**

Kintra Limited is a 60% owned subsidiary of Anavon Limited. Anavon Limited is 90% owned by King Sturge (a partnership) and 10% owned by Royal Bank of Scotland PLC. In the opinion of the directors the ultimate controlling party is King Sturge.

16. RELATED PARTY TRANSACTIONS

The following information is provided in accordance with Financial Reporting Standard No. 8 as being transactions with related parties for the year.

Name of related party	Relationship	Type of transaction	Value 2002	Balance at 31 December 2002	Value 2001	Balance at 31 December 2001
			£	£	£	£
King Sturge (a partnership)	Shareholder in parent company.	Surveying and miscellaneous costs	-	-	2,670	170
King Sturge Financial Services Limited	Group undertaking of shareholder in parent company.	Management fee	25,500	-	24,770	-
Select Facilities Services Limited	Shareholder	Facilities services	809,080	-	902,449	136,333
Royal Bank of Scotland PLC	Shareholder	Bank loan and related costs	(102,716)	3,302,776	(115,078)	3,394,858
Royal Bank Insurance Services	Group undertaking of shareholder	Insurance	-	-	17,663	-