Kintra Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2011

Registered Number 3403304

Kintra Limited

Financial Statements

Year ended 31 December 2011

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Kintra Limited

Company Information

The board of directors	BIIF Corporate Services Limited Faraidon Saheb-Zadha (Served from 17 November 2010 to 2 April 2012) John Cavill (Appointed 2 April 2012)
Company secretary	Infrastructure Managers Limited
Registered office	Fifth Floor 100 Wood Street London EC2V 7EX
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA

Kintra Limited

The Director's Report

Year ended 31 December 2011

The director has pleasure in presenting his report and the financial statements of the Company for the year ended 31 December 2011

Principal Activities and Business Review

The company was formed as a special purpose vehicle to provide Aneurin Bevan Health Board with serviced hospital facilities under an operating agreement signed 13 February 1998

Results and Dividends

The profit for the year, after taxation, amounted to £161,242 The director has not recommended a dividend

The profit for the year will be transferred to reserves

The results for the year are in line with budget The Directors anticipate that the Company will perform in line with budget in the coming financial year

Key performance indicators

The performance of the Company from a cash perspective is assessed six monthly on a group basis by the testing of the covenants of the senior debt provider The company has been performing well and has been compliant with the covenants laid out in the Loan Agreement

Financial Instruments

Details of the Company's financial risk management objectives and policies are included in note 16 to the accounts

Directors

The directors who served the Company during the year and up to the date of this report are listed on page 1

Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Fifth Floor
100 Wood Street
London
EC2V 7EX

Signed by order of the director

Infrastructure Managers Limited
Company Secretary

Approved by the director on 26th June 2012

Kintra Limited

Statement of Director's Responsibilities

Year ended 31 December 2011

The director is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year ended 31 December 2011 In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006 He is 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

In so far as the director is aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

The Director's responsibilities were approved by the board on 26 June 2012 and signed on its behalf by

John Cavill

Kintra Limited

Independent Auditor's Report to the Members of Kintra Limited

We have audited the financial statements of Kintra Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes 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)

Respective Responsibilities of Director and Auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Director is 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 Annual Report and Financial Statements In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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 31 December 2011 and of its profit 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 Companies Act 2006

Opinion on Other Matter Prescribed by the Companies Act 2006

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

Kintra Limited

Independent Auditor's Report to the Members of Kintra 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Martin Cowie

Martin Cowie (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

26 June 2012

Kintra Limited

Profit and Loss Account

Year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	**1,578,370**	1,515,744
Cost of sales		**(1,325,360)**	(1,274,525)
Gross Profit		**253,010**	241,219
Administrative expenses		**(51,382)**	(103,976)
Other operating income	3	**240,000**	240,000
Operating Profit	4	**441,628**	377,243
Interest receivable	6	**10,479**	7,411
Interest payable and similar charges	7	**(200,073)**	(225,424)
Profit on Ordinary Activities Before Taxation		**252,034**	159,230
Tax on profit on ordinary activities	8	**(90,792)**	(89,293)
Profit for the Financial Year		**161,242**	69,937

All of the activities of the Company are classed as continuing

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented

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

The notes on page 6 form part of these financial statements

Kintra Limited

Balance Sheet

As at 31 December 2011

	Note	2011 £	2010 £
Fixed Assets			
Tangible assets	9	**4,942,733**	5,318,605
Current Assets			
Debtors due within one year	10	**11,975**	12,568
Cash at bank		**1,786,698**	1,724,604
		1,798,673	1,737,172
Creditors: Amounts falling due within one year	12	**(1,525,568)**	(1,402,334)
Net Current Assets		**273,105**	334,838
Total Assets Less Current Liabilities		**5,215,838**	5,653,443
Creditors: Amounts falling due after more than one year	13	**(4,533,929)**	(5,072,630)
		681,909	580,813
Provisions for Liabilities			
Deferred taxation	15	**(429,394)**	(489,540)
Net assets		**252,515**	91,273
Capital and Reserves			
Share capital	17	**10,000**	10,000
Profit and loss account	18	**242,515**	81,273
Equity Shareholders' Funds	19	**252,515**	91,273

These financial statements were approved and signed by the director and authorised for issue on 26 June 2012

John Cavill

Company Registration Number 3403304

The notes on page 7 form part of these financial statements

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2011

1 **Accounting policies**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due

Cash flow statement

The Company is a wholly owned subsidiary of BIIF Holdco Limited and is included in the consolidated financial statements of BIIF Holdco Limited, which are publicly available Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1

Turnover

Turnover which excludes value added tax represents the invoiced value of the unitary charge earned in relation to the provision of the building and services under the contract between the Company and Gwent Healthcare NHS Trust

Fixed assets

Assets under construction are shown at cost In determining the relevant accounting treatment of the transactions, consideration is given to the provisions included in FRS 5 and HM Treasury guidance. On the basis of this, fixed asset rather than finance lease accounting is considered to be the appropriate accounting treatment because the transaction results in the Company retaining substantially all the risks and rewards of ownership of the asset

Interest and other directly attributable finance costs in respect of loans for the purpose of constructing assets, are capitalised as part of the cost of constructing the buildings up to the date of practical completion Subsequent interest is charged to the profit and loss account

Depreciation

On completion of the project asset, depreciation is charged to the profit and loss account to write off the asset over its useful economic life at the following rate per annum

Leasehold Premises	-	4 00% straight line
Office Equipment	-	25 00% reducing balance
Office Furniture	-	25 00% reducing balance

1 **Accounting policies** ***(continued)***

Deferred taxation

Deferred tax is fully provided on timing differences recognised by the balance sheet date when the Company has an obligation to pay more or less tax in the future as a result of these timing differences Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled The Company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by FRS 19 (Deferred Tax)

Financial Instruments

The Company uses derivative financial instruments to manage exposures to fluctuations in interest rates Amounts payable and receivable in respect of these derivatives are recognised as adjustments to interest expense over the term of the contracts

Capital Instruments

Shares are included in shareholders' funds Other debt instruments, which contain an obligation to repay, are classified as liabilities In accordance with FRS 4 (Capital Instruments), the costs associated with the issue of capital instruments, other than shares, are charged to the Profit and Loss account over the life of the instrument, at a constant rate based on the carrying amount

2 **Turnover**

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below

	2011	2010
	£	£
United Kingdom	**1,578,370**	1,515,744

3 **Other operating income**

	2011	2010
	£	£
Other operating income	**240,000**	240,000

Other operating income consists of the amortisation of deferred income as outlined in note number 13

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2011

4 Operating profit

Operating profit is stated after charging

	2011	2010
	£	£
Depreciation of owned fixed assets	**375,872**	375,947
Auditor's remuneration		
- as auditor	**8,000**	25,817

5 Profit on ordinary activities before taxation

The Directors did not receive any remuneration from the Company during the year (2010 £nil)
There were no employees in the financial year other than the directors (2010 nil)

6 Interest receivable

	2011	2010
	£	£
Bank interest receivable	**9,913**	7,411
Interest on corporation tax repayment	**566**	–
	10,479	7,411

7 Interest payable and similar charges

	2011	2010
	£	£
Interest payable on bank borrowing	**185,173**	210,524
Amortisation of loan issue costs	**14,900**	14,900
	200,073	225,424

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2011

8 **Taxation on ordinary activities**

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26 49% (2010 - 28%)	**151,528**	128,118
Over/under provision in prior year	**(590)**	-
Total current tax	**150,938**	128,118
Deferred tax		
Origination and reversal of timing differences	**(60,146)**	(38,825)
Tax on profit on ordinary activities	**90,792**	89,293

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26 49% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	**252,034**	159,230
Profit on ordinary activities by rate of tax	**66,772**	44,584
Expenses not deductible for tax purposes	**59,446**	62,840
Capital allowances for year in excess of depreciation	**25,310**	20,694
(Over)/under provision in prior year	**(590)**	-
Total current tax (note 8(a))	**150,938**	128,118

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2011

8 **Taxation on ordinary activities *(continued)***

(c) Factors that may affect future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 26% to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured This change has reduced the deferred tax liability at the balance sheet date, and so has increased profit in the year, by £17,176

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget. These changes had not been substantively enacted at the balance sheet and therefore are not recognised in these financial statements Firstly, a change in the rate to 24% with effect from 1 April 2012 was substantively enacted on 26 March 2012 The effect of this change, if it applied to the deferred tax balance at 31 December 2011, would be to reduce the deferred tax balance by £17,176

Secondly, further changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 22% by 1 April 2014 The overall effect of the further changes from 24% to 22%, if these applied to the deferred tax balance at 31 December 2011, would be to reduce the deferred tax balance by £34,352

9 **Tangible fixed assets**

	Leasehold Premises £	Office Equipment £	Office Furniture £	Total £
Cost				
At 1 January 2011 and 31 December 2011	**9,391,193**	**29,075**	**9,606**	**9,429,874**
Depreciation				
At 1 January 2011	**4,073,504**	**28,392**	**9,373**	**4,111,269**
Charge for the year	**375,652**	**168**	**52**	**375,872**
At 31 December 2011	**4,449,156**	**28,560**	**9,425**	**4,487,141**
Net Book Value				
At 31 December 2011	**4,942,037**	**515**	**181**	**4,942,733**
At 31 December 2010	5,317,689	683	233	5,318,605

The net book value of leasehold premises includes £70,140 (2010 £75,712) of directly attributable finance costs

10 Debtors

	2011	2010
	£	£
Trade debtors	**2,378**	–
Prepayments and accrued income	**9,597**	12,568
	11,975	12,568

11 Cash at bank and in hand

Cash at bank and in hand at the year-end includes £681,950 (2010 £676,342) which is held in a sinking fund account Under the terms of the Operating Agreement and the bank loan agreement this account can only be used for capital expenditure to be incurred in maintaining the premises

12 **Creditors:** Amounts falling due within one year

	2011	2010
	£	£
Trust capital contribution	**240,000**	240,000
Bank loans	**298,701**	293,156
Trade creditors	**17,849**	157,088
Amounts owed to group undertakings	**439,136**	159,490
Corporation tax	–	36,093
Other taxation	**28,193**	20,311
Accruals and deferred income	**501,689**	496,196
	1,525,568	1,402,334

Amounts owed to group undertakings relate to group relief

13 **Creditors:** Amounts fallıng due after more than one year

	2011	2010
	£	£
Bank loans	**1,624,421**	1,923,122
Trust capıtal contrıbutıon	**2,909,508**	3,149,508
	4,533,929	5,072,630

The amount shown as bank loan ıs stated net of the arrangement fee of £198,667 (2010 £213,567), whıch ıs beıng amortısed over the perıod of the loan ın accordance wıth FRS25/26

The bank loan ıs secured by a bond and floatıng charge over all the assets, rıghts and undertakıngs of the Company It ıs repayable ın varıable quarterly ınstalments and has a final repayment date ın Aprıl 2025

The ınterest rate on the bank loan ıs 8 25% per annum

Deferred income

	2011	**2010**
	£	**£**
Trust capital contribution		
Openıng balance	3,389,508	3,629,508
Amortısed durıng the year	(240,000)	(240,000)
Closıng balance	3,149,508	3,389,508

An advance payment of servıce fees was receıved from Aneurın Bevan Health Board (formerly Gwent Healthcare NHS Trust) wıth the successful completıon of the buıldıng contract on 14 February 2000 and the acceptance by the Trust that the Hospıtal met theır output requırements It ıs company polıcy to release thıs balance to the profit and loss account on a straıght lıne basıs over the perıod of the arrangement.

14 **Creditors - capital instruments**

Credıtors ınclude loans whıch ıs due for repayment as follows

	2011	2010
	£	£
Amounts repayable		
In one year or less or on demand	**298,701**	293,156
In more than one year but not more than two years	**304,345**	298,701
In more than two years but not more than five years	**583,315**	809,565
In more than five years	**736,761**	814,856
	1,923,122	2,216,278

15 Deferred taxation

The movement in the deferred taxation provision during the year was

	2011	2010
	£	£
Provision brought forward	**489,540**	528,365
Profit and loss account movement arising during the year	**(60,146)**	(38,825)
Provision carried forward	**429,394**	489,540

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	**429,394**	489,540
	429,394	489,540

16 Financial risk management objectives and policies

Due to the nature of the Company's business, the only financial risks the directors consider relevant to this Company is credit, cash flow, interest rate and liquidity risk The credit and cash flow risks are not considered significant as the client is a quasi governmental organisation

Interest rate risk

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of financial instruments where they cannot be addressed by means of contractual provisions The Company uses interest rate swaps to reduce its exposure to interest rate movements Financial instruments are not used for speculative purposes

Liquidity risk

The Company's liquidity risk is principally managed through financing the Company by means of long term borrowings

Fair values of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements at other than fair values

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2011

16 **Financial risk management objectives and policies** ***(continued)***

	2011		2010	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	£	**£**	**£**	**£**
Financial liabilities				
Long-term borrowing	**(2,121,790)**	**(1,831,506)**	(2,429,845)	(2,087,124)
Interest rate swap	**–**	**(290,284)**	–	(342,721)

The fair values of the fixed rate borrowing and the interest rate swap have been calculated by discounting the fixed cash flows at the prevailing interest rates at the year end

17 **Share capital**

Authorised share capital:

	2011	2010
	£	£
10,000 Ordinary shares of £1 each	**10,000**	10,000

Allotted, called up and fully paid:

	2011		2010	
	No	**£**	No	£
10,000 Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000

18 **Profit and loss account**

	2011	2010
	£	£
Balance brought forward	**81,273**	11,336
Profit for the financial year	**161,242**	69,937
Balance carried forward	**242,515**	81,273

19 **Reconciliation of movements in shareholders' funds**

	2011	2010
	£	£
Profit for the financial year	**161,242**	69,937
Opening shareholders' funds	**91,273**	21,336
Closing shareholders' funds	**252,515**	91,273

20 Related party disclosures

The Directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required

21 Ultimate parent company

The immediate parent company is Anavon Limited

The ultimate parent and controlling entity is Barclays Integrated Infrastructure Fund LP Barclays Integrated Infrastructure Fund LP is owned by a number of investors, with no one investor having individual control