

**Kintra Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2012**

**Registered Number 3403304**



# **Kintra Limited**

## **Financial Statements**

**Year ended 31 December 2012**

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# **Kintra Limited**

## **Company Information**

### **The board of directors**

BIIF Corporate Services Limited  
Faraidon Saheb-Zadha (Resigned 2 April 2012)  
John Cavill (Served from 2 April 2012 to 11  
September 2012)  
Richard David Hoile (Appointed 25 July 2012)

### **Company secretary**

Infrastructure Managers Limited

### **Registered office**

Fifth Floor  
100 Wood Street  
London  
EC2V 7EX

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants  
and Statutory Auditors  
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 Directors' Report**

### **Year ended 31 December 2012**

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2012

#### **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 £190,102 (2011 profit £161,242) Particulars of dividends paid are detailed in note 9 to the financial statements

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 17 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 directors



Infrastructure Managers Limited  
Company Secretary

Approved by the directors on 11 April 2013

# **Kintra Limited**

## **Statement of Directors' Responsibilities**

**Year ended 31 December 2012**

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 of the profit or loss of the Company for that period. In preparing those financial statements, the directors are 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Responsibilities were approved by the board on 11 April 2013 and signed on its behalf by



Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

# **Kintra Limited**

## **Independent Auditors' Report to the Members of Kintra Limited**

We have audited the financial statements of Kintra Limited for the year ended 31 December 2012 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 Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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 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 31 December 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Kintra Limited**

## **Independent Auditors' 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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

11 April 2013

# Kintra Limited

## Profit and Loss Account

Year ended 31 December 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	<b>1,625,930</b>	1,578,370
Cost of sales		<u>(1,361,466)</u>	<u>(1,325,360)</u>
<b>Gross Profit</b>		<b>264,464</b>	253,010
Administrative expenses		(58,114)	(51,382)
Other operating income	3	<u>240,000</u>	<u>240,000</u>
<b>Operating Profit</b>	4	<b>446,350</b>	441,628
Interest receivable	6	9,827	10,479
Interest payable and similar charges	7	<u>(174,964)</u>	<u>(200,073)</u>
<b>Profit on Ordinary Activities Before Taxation</b>		<b>281,213</b>	252,034
Tax on profit on ordinary activities	8	<u>(91,111)</u>	<u>(90,792)</u>
<b>Profit for the Financial Year</b>		<b>190,102</b>	161,242

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 pages 8 to 17 form part of these financial statements



# Kintra Limited

## Balance Sheet

As at 31 December 2012

	Note	2012 £	2011 £
<b>Fixed Assets</b>			
Tangible assets	10	<u>4,566,905</u>	<u>4,942,733</u>
<b>Current Assets</b>			
Debtors due within one year	11	8,574	11,975
Cash at bank		<u>1,614,402</u>	<u>1,786,698</u>
		<u>1,622,976</u>	<u>1,798,673</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(1,487,397)</u>	<u>(1,525,568)</u>
<b>Net Current Assets</b>		<u>135,579</u>	<u>273,105</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,702,484</u>	<u>5,215,838</u>
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(3,989,584)</u>	<u>(4,533,929)</u>
<b>Provisions for Liabilities</b>			
Deferred taxation	16	<u>(370,283)</u>	<u>(429,394)</u>
<b>Net assets</b>		<u><u>342,617</u></u>	<u><u>252,515</u></u>
<b>Capital and Reserves</b>			
Share capital	18	10,000	10,000
Profit and loss account	19	<u>332,617</u>	<u>242,515</u>
<b>Equity Shareholders' Funds</b>	20	<u><u>342,617</u></u>	<u><u>252,515</u></u>

These financial statements on pages 6 to 17 were approved by the directors and authorised for issue on 11 April 2013, and are signed on their behalf by



Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

Company Registration Number 3403304

The notes on pages 8 to 17 form part of these financial statements

# **Kintra Limited**

## **Notes to the Financial Statements**

### **Year ended 31 December 2012**

#### **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 Aneurin Bevan Health Board.

##### **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

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 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.

	2012 £	2011 £
United Kingdom	<u>1,625,930</u>	<u>1,578,370</u>

#### 3 Other operating income

	2012 £	2011 £
Other operating income	<u>240,000</u>	<u>240,000</u>

Other operating income consists of the amortisation of deferred income as outlined in note number 14.

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 4 Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	375,828	375,872
Auditors' remuneration		
- as auditor	8,000	8,000

#### 5 Profit on ordinary activities before taxation

The Directors did not receive any remuneration from the Company during the year (2011 £nil)  
There were no employees in the financial year other than the directors (2011 nil)

#### 6 Interest receivable

	2012	2011
	£	£
Bank interest receivable	9,827	9,913
Interest on corporation tax repayment	-	566

#### 7 Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	160,064	185,173
Amortisation of loan issue costs	14,900	14,900

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 8 Taxation on ordinary activities

##### (a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24.50% (2011 - 26.49%)	150,222	151,528
Over/under provision in prior year	-	(590)
Total current tax	150,222	150,938
Deferred tax		
Origination and reversal of timing differences	(59,111)	(60,146)
Tax on profit on ordinary activities	91,111	90,792

##### (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 24.50% (2011 - 26.49%)

	2012 £	2011 £
Profit on ordinary activities before taxation	281,213	252,034
Profit on ordinary activities by rate of tax	68,890	66,772
Expenses not deductible for tax purposes	54,961	59,446
Capital allowances for year in excess of depreciation	26,371	25,310
(Over)/under provision in prior year	-	(590)
Total current tax (note 8(a))	150,222	150,938

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 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 24% to 23% that was enacted on 17 July 2012 and that will be effective from 1 April 2013, 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 £16,099.

Further reductions to the UK main corporation tax rate have not been substantively enacted at the balance sheet and therefore are not recognised in these financial statements. Firstly, a change proposing to reduce the rate by a further 2% to 21% from 1 April 2014 was announced in the 2012 Autumn Statement. Secondly, a further change proposing to reduce the rate to 20% from 1 April 2015 was announced in the March 2013 Budget. The effect of these further changes from 23% to 20%, if they applied to the deferred tax balance at 31 December 2012, would be to reduce the deferred tax liability by £48,298, and so would increase the profit in the year, by £48,298.

#### 9 Dividends

##### Equity dividends

	2012 £	2011 £
Paid during the year		
Dividend £10.00 per share (2011: £nil)	<u>100,000</u>	<u>—</u>

#### 10 Tangible fixed assets

	Leasehold Premises £	Office Equipment £	Office Furniture £	Total £
<b>Cost</b>				
At 1 January 2012 and 31 December 2012	<u>9,391,193</u>	<u>29,075</u>	<u>9,606</u>	<u>9,429,874</u>
<b>Depreciation</b>				
At 1 January 2012	4,449,156	28,560	9,425	4,487,141
Charge for the year	<u>375,652</u>	<u>132</u>	<u>44</u>	<u>375,828</u>
At 31 December 2012	<u>4,824,808</u>	<u>28,692</u>	<u>9,469</u>	<u>4,862,969</u>
<b>Net Book Value</b>				
At 31 December 2012	<u>4,566,385</u>	<u>383</u>	<u>137</u>	<u>4,566,905</u>
At 31 December 2011	<u>4,942,037</u>	<u>515</u>	<u>181</u>	<u>4,942,733</u>

The net book value of leasehold premises includes £64,568 (2011: £70,140) of directly attributable finance costs.

# Kintra Limited

## Notes to the Financial Statements

Year ended 31 December 2012

### 11 Debtors

	2012	2011
	£	£
Trade debtors	–	2,378
Prepayments and accrued income	8,574	9,597
	<u>8,574</u>	<u>11,975</u>

### 12 Cash at bank and in hand

Cash at bank and in hand at the year-end includes £739,826 (2011 £681,950) 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.

### 13 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trust capital contribution	240,000	240,000
Bank loans	304,345	298,701
Trade creditors	126,778	17,849
Amounts owed to group undertakings	276,784	439,136
Other taxation	30,227	28,193
Accruals and deferred income	509,263	501,689
	<u>1,487,397</u>	<u>1,525,568</u>

Amounts owed to group undertakings relate to group relief

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 14 Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	1,320,076	1,624,421
Trust capital contribution	2,669,508	2,909,508
	<u>3,989,584</u>	<u>4,533,929</u>

The amount shown as bank loan is stated net of the arrangement fee of £183,767 (2011 £198,667), which is being amortised over the period of the loan in accordance with FRS25/26

The bank loan is secured by a bond and floating charge over all the assets, rights and undertakings of the Company. It is repayable in variable quarterly instalments and has a final repayment date in April 2025.

The interest rate on the bank loan is 8.25% per annum.

#### Deferred income

	2012	2011
	£	£
<b>Trust capital contribution</b>		
Opening balance	3,149,508	3,389,508
Amortised during the year	(240,000)	(240,000)
Closing balance	<u>2,909,508</u>	<u>3,149,508</u>

An advance payment of service fees was received from Aneurin Bevan Health Board (formerly Gwent Healthcare NHS Trust) with the successful completion of the building contract on 14 February 2000 and the acceptance by the Trust that the Hospital met 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 arrangement.

#### 15 Creditors - capital instruments

Creditors include loans which are due for repayment as follows:

	2012	2011
	£	£
Amounts repayable		
In one year or less or on demand	304,345	298,701
In more than one year but not more than two years	310,093	304,345
In more than two years but not more than five years	352,990	583,315
In more than five years	656,993	736,761
	<u>1,624,421</u>	<u>1,923,122</u>



# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2012

#### 16 Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	429,394	489,540
Profit and loss account movement arising during the year	(59,111)	(60,146)
Provision carried forward	<u>370,283</u>	<u>429,394</u>

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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	370,283	429,394
	<u>370,283</u>	<u>429,394</u>

#### 17 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 2012

#### 17 Financial risk management objectives and policies

(continued)

	2012		2011	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
<b>Financial liabilities</b>				
Long-term borrowing	(1,808,189)	(1,600,759)	(2,121,790)	(1,831,506)
Interest rate swap	–	(207,430)	–	(290,284)

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

#### 18 Share capital

##### Authorised share capital:

	2012 £	2011 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

##### Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

#### 19 Profit and loss account

	2012 £	2011 £
Balance brought forward	242,515	81,273
Profit for the financial year	190,102	161,242
Equity dividends	(100,000)	–
Balance carried forward	<u>332,617</u>	<u>242,515</u>

#### 20 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	190,102	161,242
Equity dividends	(100,000)	–
Net addition to shareholders' funds	<u>90,102</u>	<u>161,242</u>
Opening shareholders' funds	252,515	91,273
Closing shareholders' funds	<u>342,617</u>	<u>252,515</u>

# **Kintra Limited**

## **Notes to the Financial Statements**

### **Year ended 31 December 2012**

#### **21 Related party disclosures**

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

#### **22 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.