Kintra Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2008

Registered Number 3403304

Kintra Limited

Financial Statements

For the Year ended 31 December 2008

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Company Information

Directors	Michael Joseph Ryan (Resigned 19 March 2009) John McDonagh (Resigned 19 March 2009) Laurence Clarke (Appointed 19 March 2009) BIIF Corporate Services Ltd (Appointed 19 March 2009)
Company secretary	Infrastructure Managers Limited
Registered office	Fifth Floor 100 Wood Street London EC2V 7EX
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Registered 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 Directors' Report

For the Year ended 31 December 2008

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2008.

Principal Activities and Business Review

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

Results and Dividends

The profit for the year, after taxation, amounted to £97,216 (2007: profit £79,208). The Directors have not recommended a dividend (2007: £nil).

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 Directors believe that the analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

Financial Instruments

Details of the Company's financial risk management objectives and policies are included in note 1 to the accounts. The fair values of the financial instruments are included in note 15 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

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

The Directors' report was approved by the board on 29 September 2009 and signed on its behalf by:

Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Kintra Limited

Statement of Directors' Responsibilities

For the Year ended 31 December 2008

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). 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 2008. In preparing these 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 proper accounting records that 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

The Directors' responsibilities were approved by the board on 29 September 2009 and signed on its behalf by:

....
Laurence Clarke
Director

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 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and the other information listed on the contents page. 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 other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Kintra Limited

Independent auditor's report to the members of Kintra Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

5 October 2009

Kintra Limited

Profit and Loss Account

For the Year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	**1,712,127**	1,662,357
Cost of sales		**(1,204,807)**	(1,170,470)
Gross Profit		**507,320**	491,887
Administrative expenses		**(93,045)**	(153,162)
Operating Profit	3	**414,275**	338,725
Interest receivable	5	**72,183**	69,339
Interest payable and similar charges	6	**(260,750)**	(254,846)
Profit on Ordinary Activities Before Taxation		**225,708**	153,218
Tax on profit on ordinary activities	7	**(128,492)**	(74,010)
Profit for the Financial Year	17	**97,216**	79,208

The Company has no recognised gains and losses other than those included in the profit above, which all relate to continuing activities, 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 16 form part of these financial statements.

Kintra Limited

Balance Sheet

as at 31 December 2008

	Note	2008 £	2007 £
Fixed Assets			
Tangible assets	8	**6,070,607**	6,446,793
Current Assets			
Debtors due within one year	9	**510,433**	504,853
Cash at bank	10	**1,449,201**	1,314,142
		1,959,634	1,818,995
Creditors: Amounts falling due within one year	11	**(1,147,122)**	(1,039,676)
Net Current Assets		**812,512**	779,319
Total Assets Less Current Liabilities		**6,883,119**	7,226,112
Creditors: Amounts falling due after more than one year	12	**(6,133,496)**	(6,566,221)
		749,623	659,891
Provisions for Liabilities			
Deferred taxation	14	**(543,616)**	(551,100)
Net assets		**206,007**	108,791
Capital and Reserves			
Share capital	16	**10,000**	10,000
Profit and loss account	17	**196,007**	98,791
Equity Shareholder's Funds	18	**206,007**	108,791

These financial statements on pages 6 to 16 were approved by the Directors and authorised for issue on 25 September 2009, and are signed on their behalf by:

....
Laurence Clarke
Director

The notes on pages 8 to 16 form part of these financial statements.

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

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 1985 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 Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is small.

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

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

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:

	2008	2007
	£	£
United Kingdom	**1,712,127**	1,662,357

3. **Operating profit**

Operating profit is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	**376,186**	376,322

Auditors' remuneration is borne by Lanterndew Limited.

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

4. **Particulars of employees and directors**

The Directors did not receive any remuneration from the Company during the year (2007: £nil). There were no employees in the financial year other than the directors (2007: nil).

5. **Interest receivable**

	2008	2007
	£	£
Bank interest receivable	**72,183**	69,339

6. **Interest payable and similar charges**

	2008	2007
	£	£
Interest payable on bank borrowing	**260,750**	254,846

7. **Taxation on ordinary activities**

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28.50% (2007 - 30%)	**136,019**	95,857
(Over)/under provision in prior year	**(43)**	13
Total current tax	**135,976**	95,870
Deferred tax:		
Origination and reversal of timing differences	**(7,484)**	(21,860)
Tax on profit on ordinary activities	**128,492**	74,010

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

7. **Taxation on ordinary activities** ***(continued)***

(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 28.50% (2007 - 30%).

	2008	2007
	£	£
Profit on ordinary activities before taxation	**225,708**	153,218
Profit on ordinary activities by rate of tax	**64,327**	45,965
Expenses not deductible for tax purposes	**64,076**	67,396
Capital allowances for period in excess of depreciation	**7,616**	(17,504)
(Over)/under provision in prior year	**(43)**	13
Total current tax (note 7(a))	**135,976**	95,870

8. **Tangible fixed assets**

	Leasehold Premises	**Office Equipment**	**Office Furniture**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 January 2008 and 31 December 2008	**9,391,193**	**29,075**	**9,606**	**9,429,874**
Depreciation				
At 1 January 2008	**2,946,556**	**27,460**	**9,065**	**2,983,081**
Charge for the year	**375,646**	**136**	**404**	**376,186**
At 31 December 2008	**3,322,202**	**27,596**	**9,469**	**3,359,267**
Net Book Value				
At 31 December 2008	**6,068,991**	**1,479**	**137**	**6,070,607**
At 31 December 2007	6,444,637	1,615	541	6,446,793

The leasehold premises net book value includes £92,428 (2007: £98,000) of directly attributable finance costs.

9. **Debtors**

	2008	2007
	£	£
Trade debtors	**494,290**	485,700
Prepayments and accrued income	**16,143**	19,153
	510,433	504,853

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

10. **Cash at bank and in hand**

Cash at bank and in hand at the year-end includes £339,084 (2007: £320,624) 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.

11. **Creditors:** Amounts falling due within one year

	2008	2007
	£	£
Trust capital contribution	**240,000**	240,000
Bank loans	**192,725**	99,421
Trade creditors	**106,129**	104,954
Corporation tax	**82,007**	67,015
Other taxation	**14,806**	10,589
Other creditors	**83,945**	92,867
Accruals and deferred income	**427,510**	424,830
	1,147,122	1,039,676

12. **Creditors:** Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans	**2,503,988**	2,696,713
Trust capital contribution	**3,629,508**	3,869,508
	6,133,496	6,566,221

The amount shown as bank loan is stated net of the arrangement fee of £243,367 (2007: £258,267), 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.

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

Deferred income

	2008	2007
	£	**£**
Trust capital contribution		
Opening balance	4,109,508	4,349,508
Amortised during the year	(240,000)	(240,000)
Closing balance	3,869,508	4,109,508

An advance payment of service fees was received from Glen Harfen 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 arrangement. Of the total sum outstanding, £240,000 will be released in the financial year ended 31 December 2009.

13. **Creditors - capital instruments**

Creditors include loans which is due for repayment as follows:

	2008	2007
	£	£
Amounts repayable:		
In one year or less or on demand	**192,725**	99,421
In more than one year but not more than two years	**287,709**	192,725
In more than two years but not more than five years	**896,202**	879,566
In more than five years	**1,320,077**	1,624,422
	2,696,713	2,796,134

14. **Deferred taxation**

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	**551,100**	572,960
Profit and loss account movement arising during the year	**(7,484)**	(21,860)
Provision carried forward	**543,616**	551,100

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	**543,616**	551,100
	543,616	551,100

15. **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

For the Year ended 31 December 2008

15. **Financial risk management objectives and policies** *(continued)*

	2008 Carrying amount £	**2008** Fair value £	2007 Carrying amount £	2007 Fair value £
Financial liabilities				
Long-term borrowing	**(2,940,082)**	**(2,538,525)**	(3,054,401)	(2,877,215)
Interest rate swap	**–**	**(401,557)**	–	(177,186)

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.

16. **Share capital**

Authorised share capital:

	2008 £	2007 £
10,000 Ordinary shares of £1 each	**10,000**	10,000

Allotted, called up and fully paid:

	2008 No	**2008** £	2007 No	2007 £
Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000

17. **Profit and loss account**

	2008 £	2007 £
Balance brought forward	**98,791**	19,583
Profit for the financial year	**97,216**	79,208
Balance carried forward	**196,007**	98,791

18. **Reconciliation of movements in shareholders' funds**

	2008 £	2007 £
Profit for the financial year	**97,216**	79,208
Opening shareholders' funds	**108,791**	29,583
Closing shareholders' funds	**206,007**	108,791

19. **Related party disclosures**

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

Kintra Limited

Notes to the Financial Statements

For the Year ended 31 December 2008

20. **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.