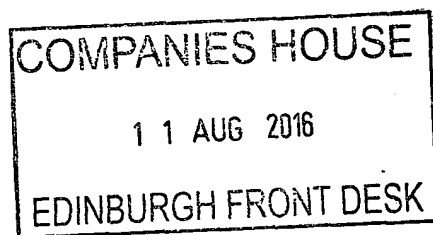


COMPANY REGISTRATION NUMBER: 03403304

**Kintra Limited**  
**Annual Report and Financial Statements**  
**31 December 2015**



THURSDAY



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# **Kintra Limited**

## **Annual Report and Financial Statements**

**Year ended 31 December 2015**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2</b>
Directors' responsibilities statement	<b>4</b>
Independent auditors' report to the members	<b>5</b>
Statement of comprehensive income	<b>8</b>
Statement of financial position	<b>9</b>
Statement of changes in equity	<b>10</b>
Notes to the financial statements	<b>11</b>

# **Kintra Limited**

## **Officers and Professional Advisers**

<b>The board of directors</b>	BIIF Corporate Services Limited (Resigned 25 January 2016) John Cavill (Appointed 25 January 2016) Philip Peter Ashbrook
<b>Company secretary</b>	Infrastructure Managers Limited
<b>Registered office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Auditor</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Bankers</b>	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA

# **Kintra Limited**

## **Directors' Report**

### **Year ended 31 December 2015**

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

#### **Principal Activities**

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.

#### **Performance Review**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. The accounts for both years are presented under FRS 102, the adjustments to the prior year reported financial position and financial performance is given in note 23.

The profit for the year, after taxation, amounted to £259,995 (2014: £181,217).

The profit for the year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

#### **Key performance indicators**

The performance of the Company from a cash perspective is assessed six monthly by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the group loan agreement.

#### **Directors**

The directors who served the company during the year and up to the date of this report were as follows:

Philip Peter Ashbrook	
John Cavill	(Appointed 25 January 2016)
BIIF Corporate Services Limited	(Resigned 25 January 2016)

#### **Dividends**

Particulars of dividends paid are detailed in note 12 to the financial statements.

#### **Financial Instruments**

Due to the nature of the Company's business, the financial risks the directors consider relevant to this Company is credit, interest rate, cash flow and liquidity risk. The credit risk is 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. The Company uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes.

##### ***Cash Flow and Liquidity risk***

Many of the Cash Flow risks are addressed by means of contractual provisions. The Company's liquidity risk is principally managed through financing the Company by means of long term borrowings.

# **Kintra Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2015**

### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 27 June 2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'S. R. H.', written over a horizontal line.

Infrastructure Managers Limited  
Company Secretary

# Kintra Limited

## Directors' Responsibilities Statement

### Year ended 31 December 2015

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

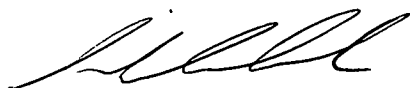
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The Directors' Responsibilities were approved by the board on 27 June 16 and signed on its behalf by:



Philip Peter Ashbrook

Director

# **Kintra Limited**

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

### **Year ended 31 December 2015**

#### **Our Opinion**

In our opinion, Kintra Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on Which We are Required to Report by Exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

# **Kintra Limited**

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

### **Year ended 31 December 2015**

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Respective Responsibilities of Directors and Auditor**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & 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**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

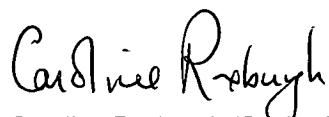


## Kintra Limited

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

#### Year ended 31 December 2015

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Caroline Roxburgh (Senior Statutory Auditor)

For and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

27 June 2016

# Kintra Limited

## Statement of Comprehensive Income

Year ended 31 December 2015

	Note	2015 £	2014 £
<b>Turnover</b>	<b>4</b>	<b>1,660,801</b>	<b>1,680,845</b>
Cost of sales		(1,388,159)	(1,443,798)
<b>Gross Profit</b>		<b>272,642</b>	<b>237,047</b>
Administrative expenses		(66,531)	(61,007)
Other operating income	<b>5</b>	<b>240,000</b>	<b>240,000</b>
<b>Operating Profit</b>	<b>6</b>	<b>446,111</b>	<b>416,040</b>
Other interest receivable and similar income	<b>9</b>	<b>4,520</b>	<b>4,548</b>
Interest payable and similar charges	<b>10</b>	<b>(95,979)</b>	<b>(125,990)</b>
<b>Profit on Ordinary Activities Before Taxation</b>		<b>354,652</b>	<b>294,598</b>
Tax on profit on ordinary activities	<b>11</b>	<b>(94,657)</b>	<b>(113,381)</b>
<b>Profit for the Financial Year</b>		<b>259,995</b>	<b>181,217</b>
Fair value movements on cash flow hedging instruments, net of tax		<b>15,854</b>	<b>58,352</b>
<b>Total Comprehensive Income for the Year</b>		<b>275,849</b>	<b>239,569</b>

All the activities of the company are from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

# Kintra Limited

## Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed Assets</b>			
Tangible assets	13	3,439,668	3,815,384
<b>Current Assets</b>			
Debtors: due within one year	14	74,689	579,974
Debtors: due after more than one year	14	–	3,963
Cash at bank and in hand		1,230,822	701,616
		<u>1,305,511</u>	<u>1,285,553</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,313,356)</u>	<u>(1,558,569)</u>
<b>Net Current Liabilities</b>		<u>(7,845)</u>	<u>(273,016)</u>
<b>Total Assets Less Current Liabilities</b>		<u>3,431,823</u>	<u>3,542,368</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(2,771,113)</u>	<u>(3,098,666)</u>
<b>Provisions</b>			
Taxation including deferred tax	18	<u>(206,464)</u>	<u>(260,337)</u>
<b>Net Assets</b>		<u>454,246</u>	<u>183,365</u>
<b>Capital and Reserves</b>			
Called up share capital	19	10,000	10,000
Hedging reserve	20	–	(15,854)
Retained earnings	20	444,246	189,219
<b>Shareholders' Funds</b>		<u>454,246</u>	<u>183,365</u>

These financial statements were approved by the board of directors and authorised for issue on 27.1.2016, and are signed on behalf of the board by:



Philip Peter Ashbrook  
Director

Company registration number: 03403304

The notes on pages 11 to 21 form part of these financial statements.

# Kintra Limited

## Statement of Changes in Equity

Year ended 31 December 2015

		Called up share capital £	Hedging reserve £	Retained earnings £	<b>Total £</b>
<b>At 1 January 2014</b>		10,000	(74,206)	174,494	110,288
Profit for the year				181,217	181,217
Other comprehensive income for the year:					
Fair value movements on cash flow hedging instruments, net of tax		—	58,352	—	58,352
<b>Total Comprehensive Income for the Year</b>		—	58,352	181,217	239,569
Dividends paid and payable	12	—	—	(166,492)	(166,492)
<b>Total Investments by and Distributions to Owners</b>		—	—	(166,492)	(166,492)
<b>At 31 December 2014</b>		10,000	(15,854)	189,219	<b>183,365</b>
Profit for the year				259,995	<b>259,995</b>
Other comprehensive income for the year:					
Fair value movements on cash flow hedging instruments, net of tax		—	15,854	—	<b>15,854</b>
<b>Total Comprehensive Income for the Year</b>		—	15,854	259,995	<b>275,849</b>
Dividends paid and payable	12	—	—	(4,968)	<b>(4,968)</b>
<b>Total Investments by and Distributions to Owners</b>		—	—	(4,968)	<b>(4,968)</b>
<b>At 31 December 2015</b>		<u>10,000</u>	<u>—</u>	<u>444,246</u>	<u><b>454,246</b></u>

Included in the fair value movement on cash flow hedging instruments is £24,795 (2014: £76,075) that was recycled through Interest Payable in the statement of comprehensive income.

The notes on pages 11 to 21 form part of these financial statements.

# Kintra Limited

## Notes to the Financial Statements

### Year ended 31 December 2015

#### 1. Statement of compliance

The individual financial statements of Kintra Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 2. General information

Kintra Limited ('the company') is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, EC4N 6AF.

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.

The company's functional and presentation currency is the pound sterling.

#### 3. Accounting policies

##### (a) Basis of preparation

*These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.*

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

##### (b) Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

##### (c) Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of BILF Holdco Limited which can be obtained from Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

(b) Disclosures in respect of financial instruments have not been presented.

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 3. Accounting policies *(continued)*

##### (d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### i) Hedge accounting and consideration of the fair value of derivative financial instruments

The Company uses derivative financial instruments to hedge certain economic exposures in relation to movements in interest rates as compared with the position that was expected at the date the underlying transaction being hedged was entered into. The Company fair values its derivative financial instruments and records the fair value of those instruments on its balance sheet. No market prices are available for these instruments and consequently the fair values are derived using financial models developed by the shareholders based on counterparty information that is independent of the Company, but use observable market data in respect of interest rates as an input to valuing those derivative financial instruments. There is also a judgement on whether an economic hedge relationship exists in order to achieve hedge accounting. Appropriate documentation has been prepared detailing the economic relationship between the hedging instrument and the underlying loan being hedged.

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

##### i) Impairment of assets

The carrying value of those assets recorded in the Company's balance sheet, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the balance sheet. Any reduction in value arising from such a review would be recorded in the statement of comprehensive income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

##### (e) Revenue recognition

Turnover represents the invoiced value of the unitary charge earned in relation to the provision of serviced hospital facilities under the contract entered into on the 13 February 1998 between the Company and the Aneurin Bevan Health Board.

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 3. Accounting policies *(continued)*

##### (f) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is also recognised on the revaluations of derivative financial instruments, with the movements going through the statement of comprehensive income.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the deferred tax asset or liability.

##### (g) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### (h) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold premises: 4% straight line

Office equipment: 25% reducing balance

Office furniture: 25% reducing balance

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 3. Accounting policies *(continued)*

##### (i) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

##### (j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### (k) Tangible Fixed Assets

The company is accounting for the concession asset based on the inability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the company on the design and construction of the assets have been treated as a fixed asset within these financial statements.

#### 4. Turnover

Turnover arises from:

	2015	2014
	£	£
Rendering of services	<u>1,660,801</u>	<u>1,680,845</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. Other operating income

	2015	2014
	£	£
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 16.



# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 6. Operating profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	<u>375,716</u>	<u>375,741</u>

#### 7. Auditors' remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>7,932</u>	<u>7,217</u>

#### 8. Particulars of employees and directors

The average number of persons employed by the company during the financial year, including the directors, amounted to nil (2014: nil). The directors did not receive any remuneration from the Company during the year (2014: £nil).

#### 9. Other interest receivable and similar income

	2015 £	2014 £
Interest on cash and cash equivalents	<u>4,520</u>	<u>4,548</u>

#### 10. Interest payable and similar charges

	2015 £	2014 £
Interest on bank loans and overdrafts	63,977	107,167
Other interest payable and similar charges	<u>32,002</u>	<u>18,823</u>
	<u>95,979</u>	<u>125,990</u>

#### 11. Tax on profit on ordinary activities

##### Major components of tax expense

	2015 £	2014 £
<b>Current tax:</b>		
UK current tax expense	148,530	138,212
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(53,873)	(24,831)
<b>Tax on profit on ordinary activities</b>	<u>94,657</u>	<u>113,381</u>

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 11. Tax on profit on ordinary activities *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
Profit on ordinary activities before taxation	354,652	294,598
Profit on ordinary activities by rate of tax	71,805	63,319
Effect of expenses not deductible for tax purposes	45,409	48,209
Tax rate changes	(22,557)	1,853
Tax on profit on ordinary activities	94,657	113,381

##### Factors that may affect future tax expense

On 26 October 2015, a reduction in the UK corporation tax rate from 20% to 18% was substantively enacted. The reduction is to take effect in two stages from 1 April 2017 (19%) and then from 1 April 2020 (18%). As a result, relevant deferred tax balances have been re-measured at the rate at which the majority of the deferred tax balance is expected to unwind

This change has reduced the deferred tax liability at the balance sheet date by £22,940.

In his Budget speech on 16 March 2016 the Chancellor of the Exchequer proposed that the above UK corporation tax rate of 18% effective from 1 April 2020 be further reduced to 17%. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. If enacted, the change would reduce the deferred tax liability at the balance sheet by £11,470.

#### 12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Dividend £0.50 per share (2014: £16.65)	4,968	166,492

#### 13. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 Jan 2015 and 31 Dec 2015	9,391,193	29,075	9,606	9,429,874
<b>Depreciation</b>				
At 1 January 2015	5,576,112	28,857	9,521	5,614,490
Charge for the year	375,652	48	16	375,716
<b>At 31 December 2015</b>	<b>5,951,764</b>	<b>28,905</b>	<b>9,537</b>	<b>5,990,206</b>
<b>Carrying amount</b>				
At 31 December 2015	3,439,429	170	69	3,439,668
At 31 December 2014	3,815,081	218	85	3,815,384

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 13. Tangible assets *(continued)*

The net book value of leasehold premises includes £47,852 (2014: £53,424) of directly attributable finance costs.

#### 14. Debtors

Debtors falling due within one year are as follows:

	2015	2014
	£	£
Trade debtors	–	573,691
Prepayments and accrued income	<b>74,689</b>	<b>6,283</b>
	<b><u>74,689</u></b>	<b><u>579,974</u></b>

Debtors falling due after one year are as follows:

	2015	2014
	£	£
Deferred tax asset	–	<b>3,963</b>
	<u>–</u>	<u><b>3,963</b></u>

#### 15. Creditors: amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	<b>84,838</b>	195,127
Trade creditors	<b>1,583</b>	–
Amounts owed to group undertakings	<b>424,143</b>	413,825
Accruals and deferred income	<b>515,402</b>	656,363
Social security and other taxes	<b>47,390</b>	53,254
Trust capital contribution	<b>240,000</b>	240,000
	<b><u>1,313,356</u></b>	<b><u>1,558,569</u></b>

Amounts owed to group undertakings relate to group relief.

#### 16. Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Bank loans and overdrafts	<b>821,605</b>	889,341
Derivative financial liability	–	19,817
Trust capital contribution	<b>1,949,508</b>	2,189,508
	<b><u>2,771,113</u></b>	<b><u>3,098,666</u></b>

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 16. Creditors: amounts falling due after more than one year *(continued)*

The amount shown as bank loan is stated net of the arrangement fee of £47,480 (2014: £79,482), which is being amortised over the period of the loan.

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

	2015 £	2014. £
<b>Trust capital contribution</b>		
Opening balance	2,429,508	2,669,508
Amortised during the year	(240,000)	(240,000)
Closing balance	<u>2,189,508</u>	<u>2,429,508</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.

#### 17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015 £	2014 £
Included in debtors (note 14)	–	3,963
Included in provisions (note 18)	(206,464)	(260,337)
	<u>(206,464)</u>	<u>(256,374)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Accelerated capital allowances	(218,531)	(275,234)
Short term timing differences	12,067	14,897
Derivative financial instruments	–	3,963
	<u>(206,464)</u>	<u>(256,374)</u>

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 17. Deferred tax *(continued)*

The net deferred tax liability expected to reverse in 2016 is £22,595. This primarily relates to the reversal of timing differences on capital allowances offset by expected utilisation of tax losses and short term timing differences.

	2015 £
Opening balance	(256,374)
Movement through the profit or loss	53,873
Movement through other comprehensive income	(3,963)
<b>Closing balance</b>	<b><u>(206,464)</u></b>

#### 18. Provisions

	Deferred tax (note 17) £
At 1 January 2015	260,337
Deferred tax	(53,873)
At 31 December 2015	<b><u>206,464</u></b>

#### 19. Called up share capital

##### Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

#### 20. Reserves

Hedging reserve - This reserve records fair value movements on cash flow hedging instruments.

Retained earnings - This reserve records retained earnings and accumulated losses.

#### 21. Related party transactions

The company is wholly owned by Anavon Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

#### 22. Controlling party

The immediate parent undertaking is Anavon Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control.

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 23. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

Profit for the financial year		31 December 2014
		£
UK GAAP - As previously reported		184,356
Effective Interest Rate adjustment on Bank loans	B	(3,923)
Deferred tax impact of adjustments	C	
- Effective Interest Rate adjustment on Bank loans		784
Total Adjustment to profit for the financial year		(3,139)
FRS 102		<u>181,217</u>

Other Comprehensive Income		31 December 2014
		£
UK GAAP - As previously reported		-
Derivative financial instrument	A	72,941
Deferred tax impact of adjustments	C	
- Derivative financial instruments		(14,589)
FRS 102		<u>58,352</u>

Total Equity		1 January 2014	31 December 2014
		£	£
UK GAAP - As previously reported		240,944	258,808
Derivative Financial Instruments	A	(92,758)	(19,817)
Effective Interest Rate adjustment to bank loans	B	(70,562)	(74,486)
Deferred taxation	C	32,664	18,860
FRS 102		<u>110,288</u>	<u>183,365</u>

#### A. Derivative Financial Instruments

FRS 102 requires derivative financial instruments to be recognised at fair value. This requires the instrument to be brought onto the balance sheet, the company has adopted hedge accounting limiting the impact of fair value movements in the profit or loss. Previously under UK GAAP the company did not recognise these instruments in the financial statements. Accordingly at transition a liability of £92,758 was recognised and a gain of £72,941 was recognised in the statement of comprehensive income for the year ended 31 December 2014. A liability of £19,817 was recognised at that date.

#### B. Effective Interest Rate Adjustment to bank loans

Under FRS 102, debt instruments must be recorded at amortised cost using the effective interest method, previously finance costs were allocated over the term of the instrument on a straight line basis. On transition the Loans were increased by £70,562 with a further £3,923 charge recognised in the profit and loss account for the year ended 31 December 2014.

#### C. Deferred Taxation

# Kintra Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

The company has accounted for deferred taxation on transition as follows:

(a) Derivative financial instruments – Deferred tax of £18,552 has been recognised at 20% on the liability recognised on transition at 1 January 2014. In the year ended 31 December 2014 the company has recognised a debit of £14,589 in the statement of comprehensive income in respect of the reduction in the value of derivative financial instruments.

(b) Effective Interest Rate adjustment to bank loans - Deferred tax of £14,897 has been recognised at 20% of the adjustment. The deferred tax balance will be amortised on a straight line basis over a 10 year period as required by the Change of Accounting Practice regulations set out by HMRC.