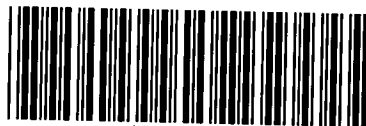


Kintra Limited
Annual Report and Financial Statements
31 December 2016



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Kintra Limited

Annual Report and Financial Statements

Year ended 31 December 2016

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Kintra Limited

Officers and Professional Advisers

The board of directors	John Cavill Philip Peter Ashbrook
Company secretary	Infrastructure Managers Limited
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF
Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA
Solicitors	CMS Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

Kintra Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

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. The project is currently in year 16 of a 25 year contract ending in 2025.

Performance Review

The profit for the year, after taxation, amounted to £286,812 (2015: £259,995).

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.

Small Company Provisions

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

Kintra Limited

Directors' Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on 9 June 2017 and signed by order of the board by:

A handwritten signature in black ink, appearing to be 'S. R.', with a long horizontal line extending from the end of the signature.

Infrastructure Managers Limited
Company Secretary

Kintra Limited

Directors' Responsibilities Statement

Year ended 31 December 2016

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 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, comprising 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 as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditor is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

The Directors' Responsibilities were approved by the board on 9 June 2017 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 2016

Report on the Financial Statements

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 2016 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 2016;
- 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 United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Kintra Limited

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

Year ended 31 December 2016

Other 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.

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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the Audit

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.

Kintra Limited

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

Year ended 31 December 2016

What an Audit of Financial Statements Involves

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.

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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Paul Cheshire (Senior Statutory Auditor)

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

7 JUNE 2017

Kintra Limited

Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	1,671,351	1,660,801
Cost of sales		<u>(1,420,246)</u>	<u>(1,388,159)</u>
Gross Profit		251,105	272,642
Administrative expenses		<u>(62,217)</u>	<u>(66,531)</u>
Other operating income	5	240,000	240,000
Operating Profit	6	428,888	446,111
Other interest receivable and similar income	9	5,301	4,520
Interest payable and similar charges	10	<u>(29,706)</u>	<u>(95,979)</u>
Profit on Ordinary Activities Before Taxation		404,483	354,652
Tax on profit on ordinary activities	11	<u>(117,671)</u>	<u>(94,657)</u>
Profit for the Financial Year		286,812	259,995
Fair value movements on cash flow hedging instruments, net of tax		<u>–</u>	<u>15,854</u>
Total Comprehensive Income for the Year		286,812	275,849

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

Kintra Limited

Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	13	3,063,968	3,439,668
Investments		—	—
		<u>3,063,968</u>	<u>3,439,668</u>
Current Assets			
Debtors: due within one year	14	704,069	74,689
Cash at bank and in hand		923,418	1,230,822
		<u>1,627,487</u>	<u>1,305,511</u>
Creditors: amounts falling due within one year	15	<u>(1,467,199)</u>	<u>(1,313,356)</u>
Net Current Assets/(Liabilities)		<u>160,288</u>	<u>(7,845)</u>
Total Assets Less Current Liabilities		<u>3,224,256</u>	<u>3,431,823</u>
Creditors: amounts falling due after more than one year	16	<u>(2,444,380)</u>	<u>(2,771,113)</u>
Provisions			
Taxation including deferred tax	18	<u>(175,789)</u>	<u>(206,464)</u>
Net Assets		<u>604,087</u>	<u>454,246</u>
Capital and Reserves			
Called up share capital	20	10,000	10,000
Retained earnings	21	594,087	444,246
Shareholders' Funds		<u>604,087</u>	<u>454,246</u>

These financial statements were approved by the board of directors and authorised for issue on 9 June 2017 and are signed on behalf of the board by:



Philip Peter Ashbrook
Director

Company registration number: 03403304

The notes on pages 11 to 20 form part of these financial statements.

Kintra Limited

Statement of Changes in Equity

Year ended 31 December 2016

		Called up share capital £	Hedging reserve £	Retained earnings £	Total £
At 1 January 2015		10,000	(15,854)	189,219	183,365
Profit for the year				259,995	259,995
Other comprehensive income for the year:					
Fair value movements on cash flow hedging instruments, net of tax		—	15,854	—	15,854
Total Comprehensive Income for the Year		—	15,854	259,995	275,849
Dividends paid and payable	12	—	—	(4,968)	(4,968)
Total Investments by and Distributions to Owners		—	—	(4,968)	(4,968)
At 31 December 2015		10,000	—	444,246	454,246
Profit for the year				286,812	286,812
Total Comprehensive Income for the Year		—	—	286,812	286,812
Dividends paid and payable	12	—	—	(136,971)	(136,971)
Total Investments by and Distributions to Owners		—	—	(136,971)	(136,971)
At 31 December 2016		<u>10,000</u>	<u>—</u>	<u>594,087</u>	<u>604,087</u>

Included in the fair value movement on cash flow hedging instruments is £nil (2015: £24,795) that was recycled through Interest Payable in the statement of comprehensive income.

The notes on pages 11 to 20 form part of these financial statements.

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2016

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 project is currently in year 16 of a 25 year contract ending in 2025.

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) 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 BIIF Holdco Limited which can be obtained from the 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.

The Company is wholly owned by BIIF Holdco 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.

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

(c) 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) Income taxation

Current taxation

The taxation charge or credit arising on profit before taxation and in respect of gains or losses recognised through other comprehensive income reflect the tax rates in effect or substantially enacted at the balance sheet date as appropriate. The determination of appropriate provisions for taxation requires the Directors to take into account anticipated decisions of HM Revenue and Customs which inevitably requires the Directors to use judgements as to the appropriate estimate of taxation provisions.

Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Judgements are required to be made as to the calculation and identification of timing differences and in the case of the recognition of deferred taxation assets, the Directors have to form an opinion as to whether it is probable that the deferred taxation asset recognised is recoverable against future taxable profits arising. This exercise of judgement requires the Directors to consider forecast information over a long time horizon having regard to the risks that the forecasts may not be achieved and then form a reasonable opinion as to the recoverability of the deferred taxation asset.

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 Statement of Financial Position, 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 Statement of Financial Position. 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.

(d) 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 2016

3. Accounting policies *(continued)*

(e) 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.

(f) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

(g) 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

(h) 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.

(i) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

(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 has taken the transition exemption in FRS 102 Section 35.10(i) that allows the Company to continue the service concession arrangement accounting policies from previous UK GAAP.

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.

(l) Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowings. Borrowings with maturities greater than twelve months after the reporting date are classified as non-current liabilities.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>1,671,351</u>	<u>1,660,801</u>

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Turnover *(continued)*

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

5. Other operating income

	2016	2015
	£	£
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.

6. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>375,700</u>	<u>375,716</u>

7. Auditors' remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>7,655</u>	<u>7,932</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 (2015: nil). The directors did not receive any remuneration from the Company during the year (2015: £nil).

9. Other interest receivable and similar income

	2016	2015
	£	£
Interest on cash and cash equivalents	<u>5,301</u>	<u>4,520</u>

10. Interest payable and similar charges

	2016	2015
	£	£
Interest on bank loans and overdrafts	21,549	63,977
Other interest payable and similar charges	<u>8,157</u>	<u>32,002</u>
	<u>29,706</u>	<u>95,979</u>

11. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	148,346	148,530

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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

	2016 £	2015 £
Deferred tax:		
Origination and reversal of timing differences	(30,675)	(53,873)
Tax on profit on ordinary activities	117,671	94,657

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit on ordinary activities before taxation	404,483	354,652
Profit on ordinary activities by rate of tax	80,896	71,805
Effect of expenses not deductible for tax purposes	44,856	45,409
Tax rate changes	(8,081)	(22,557)
Tax on profit on ordinary activities	117,671	94,657

Factors that may affect future tax expense

During the year, as a result of the change to the future UK main corporation tax rate from 18% to 17% that was substantively enacted on 6 September 2016 and that will be effective from 1 April 2020, the relevant deferred tax balances have been re-measured. This change has reduced the deferred tax liability at the Statement of Financial Position date by £10,341.

12. Dividends

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

	2016 £	2015 £
Dividend £13.70 per share (2015: £0.50)	136,972	4,968

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

13. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 Jan 2016 and 31 Dec 2016	<u>9,391,193</u>	<u>29,075</u>	<u>9,606</u>	<u>9,429,874</u>
Depreciation				
At 1 January 2016	5,951,764	28,905	9,537	5,990,206
Charge for the year	<u>375,652</u>	<u>36</u>	<u>12</u>	<u>375,700</u>
At 31 December 2016	<u>6,327,416</u>	<u>28,941</u>	<u>9,549</u>	<u>6,365,906</u>
Carrying amount				
At 31 December 2016	<u>3,063,777</u>	<u>134</u>	<u>57</u>	<u>3,063,968</u>
At 31 December 2015	<u>3,439,429</u>	<u>170</u>	<u>69</u>	<u>3,439,668</u>

The net book value of leasehold premises includes £42,280 (2015: £47,852) of directly attributable finance costs.

14. Debtors

Debtors falling due within one year are as follows:

	2016 £	2015 £
Trade debtors	698,061	—
Prepayments and accrued income	<u>6,008</u>	<u>74,689</u>
	<u>704,069</u>	<u>74,689</u>

15. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	87,231	84,838
Trade creditors	26,240	1,583
Amounts owed to group undertakings	572,489	424,143
Accruals and deferred income	510,957	515,402
Social security and other taxes	30,282	47,390
Trust capital contribution	<u>240,000</u>	<u>240,000</u>
	<u>1,467,199</u>	<u>1,313,356</u>

Amounts owed to group undertakings relate to group relief.

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

	2016 £	2015 £
Bank loans and overdrafts	734,872	821,605
Trust capital contribution	<u>1,709,508</u>	<u>1,949,508</u>
	<u>2,444,380</u>	<u>2,771,113</u>

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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 £39,323 (2015: £47,480), 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 1.85% + libor per annum.

Deferred income

	2016 £	2015 £
Trust capital contribution		
Opening balance	2,189,508	2,429,508
Amortised during the year	(240,000)	(240,000)
Closing balance	<u>1,949,508</u>	<u>2,189,508</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:

	2016 £	2015 £
Included in provisions (note 18)	<u>175,789</u>	<u>206,464</u>

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

	2016 £	2015 £
Accelerated capital allowances	185,919	218,531
Short term timing differences	<u>(10,130)</u>	<u>(12,067)</u>
	<u>175,789</u>	<u>206,464</u>

The net deferred tax liability expected to reverse in 2017 is £21,464. This primarily relates to the reversal of timing differences on capital allowances offset by expected utilisation of tax losses and short term timing differences.

	2016 £
Opening balance	206,464
Movement through the profit or loss	<u>(30,675)</u>
Closing balance	<u>175,789</u>

Kintra Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

18. Provisions

	Total £
At 1 January 2016	206,464
Deferred tax	<u>(30,675)</u>
At 31 December 2016	<u>175,789</u>

19. Financial instruments

The bank borrowing is held at amortised cost.

20. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

21. Reserves

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

22. Related party transactions

The company is wholly owned by BIIF Holdco 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.

23. 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.