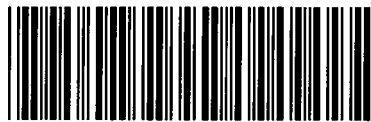


Kintra Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2014

Registered Number 03403304

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Kintra Limited

Financial Statements

Year ended 31 December 2014

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Kintra Limited

Company Information

The Board of Directors

BIIF Corporate Services Limited
Richard David Hoile (Resigned 25 July 2014)
Philip Peter Ashbrook (Appointed 25 July 2014)

Company secretary

Infrastructure Managers Limited

Registered office

c/o Dundas & Wilson
Northwest Wing Bush House
Aldwych
London
WC2B 4EZ

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and 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

Kintra Limited

Directors' Report

Year ended 31 December 2014

The directors present their report and the financial statements of the Company for the year ended 31 December 2014.

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, commencing in 2000 and running for a concession period of twenty-five years.

Results and Dividends

The profit for the year, after taxation, amounted to £184,356 (2013: profit £225,327). Particulars of dividends paid are detailed in note 9 to the financial statements.

The profit for the year will be transferred to reserves.

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

Key performance indicators

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

Financial Instruments

Details of the Company's financial risk management objectives and policies are included in note 17 to the financial statements.

Directors

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

Auditor

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

Kintra Limited

Directors' Report *(continued)*

Year ended 31 December 2014

Small Company Provisions

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

Registered office:
c/o Dundas & Wilson
Northwest Wing Bush House
Aldwych
London
WC2B 4EZ

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'Siu Peh', with a horizontal line underneath it.

Infrastructure Managers Limited
Company Secretary

Approved by the directors on 24/06/2015

Kintra Limited

Statement of Directors' Responsibilities

Year ended 31 December 2014

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 Directors' responsibilities were approved by the board on ~~24/06/2015~~ 24/06/2015 and signed on its behalf by:



Philip Peter Ashbrook

Kintra Limited

Independent Auditors' Report to the Members of Kintra Limited

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 2014 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

Kintra Limited's financial statements, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account 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).

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 year for which the financial statements are prepared is consistent with the financial statements.

Kintra Limited

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

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 Statement of Directors' Responsibilities 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)*

What an Audit of Financial Statements Involves

We conducted our audit in accordance with ISAs (UK and 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.



Caroline Roxburgh (Senior Statutory Auditor)

For and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

24 June 2015

Kintra Limited

Profit and Loss Account

Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	1,680,845	1,670,071
Cost of sales		<u>(1,443,797)</u>	<u>(1,402,169)</u>
Gross Profit		237,048	267,902
Administrative expenses		(61,007)	(61,918)
Other operating income	3	<u>240,000</u>	<u>240,000</u>
Operating Profit	4	416,041	445,984
Interest receivable	6	4,548	5,937
Interest payable and similar charges	7	<u>(122,067)</u>	<u>(148,529)</u>
Profit on Ordinary Activities Before Taxation		298,522	303,392
Tax on profit on ordinary activities	8	<u>(114,166)</u>	<u>(78,065)</u>
Profit for the Financial Year		<u>184,356</u>	<u>225,327</u>

All of the activities of the Company are classed as continuing.

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

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

The notes on pages 10 to 18 form part of these financial statements.

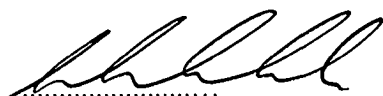
Kintra Limited

Balance Sheet

As at 31 December 2014

	Note	2014 £	2013 £
Fixed Assets			
Tangible assets	10	<u>3,815,384</u>	<u>4,191,125</u>
Current Assets			
Debtors due within one year	11	<u>579,975</u>	<u>29,415</u>
Cash at bank		<u>701,616</u>	<u>1,286,307</u>
		<u>1,281,591</u>	<u>1,315,722</u>
Creditors: Amounts falling due within one year	13	<u>(1,558,569)</u>	<u>(1,527,132)</u>
Net Current Liabilities		<u>(276,978)</u>	<u>(211,410)</u>
Total Assets Less Current Liabilities		<u>3,538,406</u>	<u>3,979,715</u>
Creditors: Amounts falling due after more than one year	14	<u>(3,004,364)</u>	<u>(3,439,491)</u>
Provisions for Liabilities			
Deferred taxation	16	<u>(275,234)</u>	<u>(299,280)</u>
Net assets		<u><u>258,808</u></u>	<u><u>240,944</u></u>
Capital and Reserves			
Share capital	18	<u>10,000</u>	<u>10,000</u>
Profit and loss account	19	<u>248,808</u>	<u>230,944</u>
Equity Shareholders' Funds	20	<u><u>258,808</u></u>	<u><u>240,944</u></u>

These accounts on pages 8 to 18 were approved by the directors and authorised for issue on 24/06/2015, and are signed on their behalf by:



Philip Peter Ashbrook

Company Registration Number: 03403304

The notes on pages 10 to 18 form part of these financial statements.

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

1. Accounting policies

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

Basis of accounting

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

Cash flow statement

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

Turnover

The unitary charge is the turnover of the Company which is received from the provision of a PFI asset to the customer and is received over the life of the concession period.

Fixed assets

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

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

Depreciation

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

Leasehold Premises	-	4.00% straight line
Office Equipment	-	25.00% reducing balance
Office Furniture	-	25.00% reducing balance

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

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:

	2014	2013
	£	£
United Kingdom	<u>1,680,845</u>	<u>1,670,071</u>

3. Other operating income

	2014	2013
	£	£
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 14.

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

4. Operating profit

Operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	375,741	375,780
Auditors' remuneration		
- as auditor	7,217	10,026

5. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2013: £nil). There were no employees in the financial year other than the directors (2013: nil).

6. Interest receivable

	2014	2013
	£	£
Bank interest receivable	4,548	5,937

7. Interest payable and similar charges

	2014	2013
	£	£
Interest payable on bank borrowing	107,167	133,629
Amortisation of loan issue costs	14,900	14,900
	122,067	148,529

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.49% (2013 - 23.25%)	138,212	149,068
Total current tax	138,212	149,068
Deferred tax:		
Origination and reversal of timing differences	(24,046)	(71,003)
Tax on profit on ordinary activities	114,166	78,065

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

8. 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 21.49% (2013 - 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>298,522</u>	<u>303,392</u>
Profit on ordinary activities by rate of tax	64,162	70,528
Expenses not deductible for tax purposes	48,209	52,149
Capital allowances for year in excess of depreciation	<u>25,841</u>	<u>26,391</u>
Total current tax (note 8(a))	<u>138,212</u>	<u>149,068</u>

9. Dividends

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividend £16.65 per share (2013: £32.70)	<u>166,492</u>	<u>327,000</u>

10. Tangible fixed assets

	Leasehold Premises £	Office Equipment £	Office Furniture £	Total £
Cost				
At 1 January 2014 and 31 December 2014	<u>9,391,193</u>	<u>29,075</u>	<u>9,606</u>	<u>9,429,874</u>
Depreciation				
At 1 January 2014	5,200,460	28,788	9,501	5,238,749
Charge for the year	<u>375,652</u>	<u>69</u>	<u>20</u>	<u>375,741</u>
At 31 December 2014	<u>5,576,112</u>	<u>28,857</u>	<u>9,521</u>	<u>5,614,490</u>
Net Book Value				
At 31 December 2014	<u>3,815,081</u>	<u>218</u>	<u>85</u>	<u>3,815,384</u>
At 31 December 2013	<u>4,190,733</u>	<u>287</u>	<u>105</u>	<u>4,191,125</u>

The net book value of leasehold premises includes £53,424 (2013: £58,996) of directly attributable finance costs.

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

11. Debtors

	2014	2013
	£	£
Trade debtors	573,692	22,899
Prepayments and accrued income	6,283	6,287
Other prepayments and accrued income	–	229
	<u>579,975</u>	<u>29,415</u>

12. Cash at bank and in hand

Cash at bank and in hand at the year-end includes £547,934 (2013: £694,813) which is held in a sinking fund account. Under the terms of the Operating Agreement and the bank loan agreement this account can only be used for capital expenditure to be incurred in maintaining the premises.

13. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trust capital contribution	240,000	240,000
Bank loans	195,127	310,093
Trade creditors	–	140,912
Amounts owed to group undertakings	413,825	275,613
Other taxation	53,254	30,135
Accruals and deferred income	656,363	530,379
	<u>1,558,569</u>	<u>1,527,132</u>

Amounts owed to group undertakings relate to group relief.

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

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

	2014	2013
	£	£
Bank loans	814,856	1,009,983
Trust capital contribution	2,189,508	2,429,508
	<u>3,004,364</u>	<u>3,439,491</u>

The amount shown as bank loan is stated net of the arrangement fee of £153,967 (2013: £168,867), which is being amortised over the period of the loan in accordance with FRS4.

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

	2014	2013
	£	£
Trust capital contribution		
Opening balance	2,669,508	2,909,508
Amortised during the year	(240,000)	(240,000)
Closing balance	<u>2,429,508</u>	<u>2,669,508</u>

An advance payment of service fees was received from Aneurin Bevan Health Board (formerly Gwent Healthcare NHS Trust) with the successful completion of the building contract on 14 February 2000 and the acceptance by the Trust that the Hospital met their output requirements. It is company policy to release this balance to the profit and loss account on a straight line basis over the period of the arrangement.

15. Creditors - capital instruments

Creditors include loans which is due for repayment as follows:

	2014	2013
	£	£
Amounts repayable:		
In one year or less or on demand	195,127	310,093
In more than one year but not more than two years	78,095	195,127
In more than two years but not more than five years	244,447	239,335
In more than five years	492,314	575,521
	<u>1,009,983</u>	<u>1,320,076</u>

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

16. Deferred taxation

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

	2014	2013
	£	£
Provision brought forward	299,280	370,283
Profit and loss account movement arising during the year	(24,046)	(71,003)
Provision carried forward	<u>275,234</u>	<u>299,280</u>

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

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	275,234	299,280
	<u>275,234</u>	<u>299,280</u>

Deferred tax balances have been calculated at 20% being the UK main corporation tax rate effective from 1 April 2015.

17. Financial risk management objectives and policies

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

Interest rate risk

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

Liquidity risk

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

Fair values of financial assets and liabilities

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

Kintra Limited

Notes to the Financial Statements

Year ended 31 December 2014

17. Financial risk management objectives and policies

(continued)

	2014		2013	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
<i>Financial liabilities</i>				
Long-term borrowing	(1,163,954)	(1,131,567)	(1,488,944)	(1,380,003)
Interest rate swap	–	(32,387)	–	(108,941)

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

18. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

19. Profit and loss account

	2014 £	2013 £
Balance brought forward	230,944	332,617
Profit for the financial year	184,356	225,327
Equity dividends	(166,492)	(327,000)
Balance carried forward	248,808	230,944

20. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	184,356	225,327
Equity dividends	(166,492)	(327,000)
Net addition/(reduction) to shareholders' funds	17,864	(101,673)
Opening shareholders' funds	240,944	342,617
Closing shareholders' funds	258,808	240,944

21. 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

Year ended 31 December 2014

22. Ultimate parent company

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 c/o Dundas & Wilson, Northwest Wing Bush House, Aldwych, London WC2B 4EZ.

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.