

COMPANY REGISTRATION NUMBER: 03403304

**Kintra Limited**  
**Annual Report and Financial Statements**  
**31 December 2019**

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# **Kintra Limited**

## **Annual Report and Financial Statements**

**Year Ended 31 December 2019**

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# **Kintra Limited**

## **Officers and Professional Advisers**

<b>The Board of Directors</b>	John Cavill Peter Sheldrake
<b>Company Secretary</b>	Infrastructure Managers Limited
<b>Registered Office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Independent Auditors</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
<b>Solicitors</b>	CMS Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

# **Kintra Limited**

## **Directors' Report**

### **Year Ended 31 December 2019**

The directors present their report and the audited Annual Report and Financial Statements of Kintra Limited ("the Company") for the year ended 31 December 2019.

#### **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 contract is in year 19 of its term expiring 2025.

#### **Performance Review**

The profit for the financial year, after taxation, amounted to £301,023 (2018: £358,680).

The profit for the financial 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.

The directors have considered the future financial impact to the Company of the Coronavirus, taking into account the sources of income and additional expenditure, if any. It is their view that, due to the income being availability based and being due from the NHS Trust and therefore the risk of non-payment is considered remote, the income to the project will not be impacted. Alongside this the expected expenditure should not see material variation from its current levels and key suppliers (primarily the facilities manager) are expected to continue to be able to service the project. Although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations of financial position of the Company.

#### **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:

John Cavill  
Peter Sheldrake

#### **Dividends**

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

# **Kintra Limited**

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

### **Year Ended 31 December 2019**

#### **Financial Instruments**

Due to the nature of the Company's business, the financial risks the directors consider relevant to this Company are 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***

Interest is charged on senior debt at a floating rate. The Company's interest rate risk is an increase in LIBOR and a resultant increase in the cost of debt servicing. This is mitigated through regular review of rates and preparation of forecasts for the remaining life of the contract.

##### ***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.

#### **Events after the End of the Reporting Period**

Particulars of events after the reporting date are detailed in note 21 to the Annual Report and Financial Statements.

#### **Qualifying Third Party Indemnity Provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Small Company Provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Disclosure of Information to Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they 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 auditors, PricewaterhouseCoopers LLP, are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 16 June 2020 and signed by order of the board by:



Infrastructure Managers Limited  
Company Secretary

# **Kintra Limited**

## **Directors' Responsibilities Statement**

### **Year Ended 31 December 2019**

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and 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 Annual Report and 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 the Annual Report and 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 Annual Report and Financial Statements; and
- prepare the Annual Report and 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.

# **Kintra Limited**

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

**Year Ended 31 December 2019**

### **Report on the Audit of the Financial Statements**

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#### **Opinion**

In our opinion, Kintra Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions Relating to Going Concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

# **Kintra Limited**

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

**Year Ended 31 December 2019**

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### **Reporting on Other Information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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### **Responsibilities for the Financial Statements and the Audit**

#### **Responsibilities of the Directors for the Financial Statements**

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



# **Kintra Limited**

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

### **Year Ended 31 December 2019**

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of This Report**

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.

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#### **Other Required Reporting**

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##### **Companies Act 2006 Exception Reporting**

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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 2019**

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### 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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Matthew Kaye (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

16 June 2020

# Kintra Limited

## Statement of Comprehensive Income

Year Ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	<b>1,859,681</b>	1,833,093
Cost of sales		<u>(1,596,370)</u>	<u>(1,491,501)</u>
<b>Gross profit</b>		<b>263,311</b>	341,592
Administrative expenses		<u>(66,654)</u>	(65,936)
Other operating income	<b>5</b>	<u>240,000</u>	240,000
<b>Operating profit</b>	<b>6</b>	<b>436,657</b>	515,656
Interest receivable and similar income	<b>9</b>	<b>5,756</b>	5,464
Interest payable and similar expenses	<b>10</b>	<u>(14,354)</u>	<u>(22,739)</u>
<b>Profit before taxation</b>		<b>428,059</b>	498,381
Tax on profit	<b>11</b>	<u>(127,036)</u>	<u>(139,701)</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>301,023</u></b>	<b><u>358,680</u></b>

All the activities of the Company are from continuing operations.

The notes on pages 12 to 22 form part of these Financial Statements.

# Kintra Limited

## Statement of Financial Position

As at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	1,936,927	2,312,600
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	668,578	565,000
Cash at bank and in hand		791,921	803,884
		<u>1,460,499</u>	<u>1,368,884</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,323,555)</u>	<u>(1,302,271)</u>
<b>Net current assets</b>		<u>136,944</u>	<u>66,613</u>
<b>Total assets less current liabilities</b>		<u>2,073,871</u>	<u>2,379,213</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(1,438,433)</u>	<u>(1,779,169)</u>
<b>Provisions for liabilities</b>			
Taxation including deferred taxation	17	<u>(105,934)</u>	<u>(132,234)</u>
<b>Net assets</b>		<u>529,504</u>	<u>467,810</u>
<b>Capital and reserves</b>			
Called up share capital	19	10,000	10,000
Retained earnings	20	519,504	457,810
<b>Total shareholders' funds</b>		<u>529,504</u>	<u>467,810</u>

The Financial Statements were approved by the board of directors and authorised for issue on 16 June 2020, and are signed on behalf of the board by:



Peter Sheldrake  
Director

Company registration number: 03403304

The notes on pages 12 to 22 form part of these Financial Statements.

# Kintra Limited

## Statement of Changes in Equity

Year Ended 31 December 2019

		Called up share capital £	Retained earnings £	Total £
<b>At 1 January 2018</b>		10,000	615,578	625,578
Profit for the financial year		—	358,680	358,680
<b>Total comprehensive income for the year</b>		—	358,680	358,680
Dividends paid and payable	<b>12</b>	—	(516,448)	(516,448)
<b>Total investments by and distributions to owners</b>		—	(516,448)	(516,448)
<b>At 31 December 2018</b>		10,000	457,810	<b>467,810</b>
Profit for the financial year		—	301,023	<b>301,023</b>
<b>Total comprehensive income for the year</b>		—	301,023	<b>301,023</b>
Dividends paid and payable	<b>12</b>	—	(239,329)	<b>(239,329)</b>
<b>Total investments by and distributions to owners</b>		—	(239,329)	<b>(239,329)</b>
<b>At 31 December 2019</b>		<u>10,000</u>	<u>519,504</u>	<u><b>529,504</b></u>

The notes on pages 12 to 22 form part of these Financial Statements.

# **Kintra Limited**

## **Notes to the Annual Report and Financial Statements**

### **Year Ended 31 December 2019**

#### **1. General Information**

Kintra Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London, 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.

#### **2. 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.

#### **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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment 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) Going concern**

The directors have considered the future financial impact to the Company of the Coronavirus as disclosed in the Directors' Report, and although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations or financial position of the Company.

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

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

##### (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 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.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments 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.

##### 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 Statement of Financial Position, 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 compare 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.

##### (e) Revenue recognition

Turnover, which excludes value added tax, represents the total invoiced value during the year and arises entirely in the UK.

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

#### 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. The directors periodically evaluate 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 the 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 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.



# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

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

##### (h) 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.

##### (i) 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.

##### (j) 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

##### (k) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### (l) 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.

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

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

##### (m) 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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income 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.

Any reversals of impairment are recognised in the Statement of Comprehensive Income 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.

#### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	<u>1,859,681</u>	<u>1,833,093</u>

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

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

#### 5. Other Operating Income

	2019	2018
	£	£
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:

	2019	2018
	£	£
Depreciation of tangible assets	<u>375,673</u>	<u>375,676</u>

#### 7. Auditors' Remuneration

	2019	2018
	£	£
Fees payable for the audit of the annual report and financial statements	<u>8,285</u>	<u>7,885</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 (2018: nil). The directors did not receive any remuneration from the Company during the year (2018: £nil).

#### 9. Interest Receivable and Similar Income

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>5,756</u>	<u>5,464</u>

#### 10. Interest Payable and Similar Expenses

	2019	2018
	£	£
Interest on bank loans and overdrafts	16,448	22,339
Other interest payable and similar expenses	(2,094)	400
	<u>14,354</u>	<u>22,739</u>

#### 11. Tax on Profit

##### Major components of tax expense

	2019	2018
	£	£
<b>Current tax:</b>		
UK current tax expense	153,336	160,088

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

#### 11. Tax on Profit *(continued)*

	2019 £	2018 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(26,300)</u>	<u>(20,387)</u>
<b>Tax on profit</b>	<u><b>127,036</b></u>	<u><b>139,701</b></u>

#### Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit before taxation	<u>428,059</u>	<u>498,381</u>
Profit by rate of tax	<b>81,331</b>	94,692
Effect of expenses not deductible for tax purposes	<b>42,610</b>	42,612
Tax rate changes	<u><b>3,095</b></u>	<u>2,397</u>
<b>Total tax charge</b>	<u><b>127,036</b></u>	<u><b>139,701</b></u>

#### Factors that may affect future tax expense

A change to the future UK corporation tax rate was announced in the March 2020 Budget. The rate will no longer drop to 17% with effect from 1 April 2020 but will remain at the previous rate of 19%. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. The effect of this change, if it applied to the deferred tax balance at 31 December 2019, would be to increase the deferred tax liability by £12,463.

#### 12. Dividends

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

	2019 £	2018 £
Dividend £23.93 per share (2018: £51.64)	<u><b>239,329</b></u>	<u><b>516,448</b></u>

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

#### 13. Tangible Assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 January 2019 and 31 December 2019	<u>9,391,193</u>	<u>29,075</u>	<u>9,606</u>	<u>9,429,874</u>
<b>Accumulated depreciation</b>				
At 1 January 2019	7,078,720	28,989	9,565	7,117,274
Charge for the year	<u>375,652</u>	<u>17</u>	<u>4</u>	<u>375,673</u>
At 31 December 2019	<u>7,454,372</u>	<u>29,006</u>	<u>9,569</u>	<u>7,492,947</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>1,936,821</u>	<u>69</u>	<u>37</u>	<u>1,936,927</u>
At 31 December 2018	<u>2,312,473</u>	<u>86</u>	<u>41</u>	<u>2,312,600</u>

The net book value of leasehold premises includes £25,564 (2018: £31,136) of directly attributable finance costs.

#### 14. Debtors

Debtors amounts falling due within one year are as follows:

	2019 £	2018 £
Trade debtors	566,866	505,858
Prepayments and accrued income	<u>101,712</u>	<u>59,142</u>
	<u>668,578</u>	<u>565,000</u>

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

	2019 £	2018 £
Bank loans and overdrafts	91,535	90,894
Trade creditors	24,439	51,032
Amounts owed to Group undertakings	428,951	435,701
Accruals and deferred income	510,747	465,323
Taxation and social security	27,883	19,321
Trust capital contribution	240,000	240,000
	<u>1,323,555</u>	<u>1,302,271</u>

Amounts owed to group undertakings relate to group tax relief, are not interest bearing, unsecured and repayable on demand.

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

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

	2019	2018
	£	£
Bank loans and overdrafts	448,925	549,661
Trust capital contribution	989,508	1,229,508
	<u>1,438,433</u>	<u>1,779,169</u>

Included within creditors: amounts falling due after more than one year is an amount of £56,413 (2018: £160,119) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

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 amount shown as bank loan is stated net of the arrangement fee of £33,580 (2018: £31,486), which is being amortised over the period of the loan.

The interest rate on the bank loan is 1.85% + libor per annum.

#### Deferred income

	2019
	£
Trust capital contribution	
Opening balance	1,469,508
Amortised during the year	(240,000)
Closing balance	<u>(1,229,508)</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. Accordingly, this balance is released to the income statement on a straight line basis over the period of the arrangement.

#### 17. Provisions for Liabilities

	Deferred tax (note 18)
	£
At 1 January 2019	132,234
Deferred tax	<u>(26,300)</u>
At 31 December 2019	<u>105,934</u>

# Kintra Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2019

#### 18. Deferred Tax

The deferred tax included in the Statement of Financial Position is as follows:

	2019	2018
	£	£
Included in provisions for liabilities (note 17)	<u>105,934</u>	<u>132,234</u>

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

	2019	2018
	£	£
Accelerated capital allowances	112,265	139,832
Short term timing differences	<u>(6,331)</u>	<u>(7,598)</u>
	<u>105,934</u>	<u>132,234</u>

The net deferred tax liability expected to reverse in 2020 is £20,793. This primarily relates to the reversal of timing differences on capital allowances offset by short term timing differences.

	2019
	£
Opening balance	132,234
Movement through the profit or loss	<u>(26,300)</u>
<b>Closing balance</b>	<b><u>105,934</u></b>

#### 19. Called Up Share Capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

#### 20. Reserves

Retained earnings records retained earnings and accumulated losses.

#### 21. Events after the End of the Reporting Period

Coronavirus was declared a pandemic in March 2020 and since then there has been widespread disruption in the UK. As the pandemic accelerated after the year end this event has been classified as a non-adjusting post balance sheet event. As disclosed in the Directors' Report, the directors have considered the future financial impact to the Company of the Coronavirus. Although the likely full impact is unknown, it is expected to be minimal.

# **Kintra Limited**

## **Notes to the Annual Report and Financial Statements** *(continued)*

### **Year Ended 31 December 2019**

#### **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.