

Newham Learning Partnership (Hold Co) Limited

Directors' report and consolidated financial statements for the year to 31 March 2012



Contents

	Page
Directors, officers and advisers	3
Directors' report	4
Independent auditors' report to the members of Newham Learning Partnership (Hold Co) Limited	6
Group profit and loss account	7
Balance sheets	8
Consolidated cash flow statement	9
Reconciliation of net cash flow to movement in net debt	9
Notes to the financial statements	10

Directors, officers and advisers

Directors	Adam Waddington Cen Richards David Baldock Edward Warwick Peter Chappell Stephen Hockaday
Company secretary	Stephen Sullivan
Registered number	4718227
Registered office	Bridge Place Anchor Boulevard Admirals Park Crossways Dartford Kent DA2 6SN
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Aviva Commercial Finance Limited PO Box 21 Surrey Street Norwich NR1 3NJ Bank of Scotland New Usher House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Bevan Brittan Fleet Place House 2 Fleet Place Holborn Viaduct London EC4M 7RF
Insurance consultants	Jardine Lloyd Thompson Limited 8 Crutched Friars London EC3N 2PH

Directors' report for the year ended 31 March 2012

The directors present their report together with the audited consolidated financial statements of Newham Learning Partnership (Hold Co) Limited for the year to 31 March 2012

References to the "company" are to Newham Learning Partnership (Hold Co) Limited. References to the "group" are to Newham Learning Partnership (Hold Co) Limited and its wholly owned subsidiary Newham Learning Partnership (Project Co) Limited

Principal activities and review of the business

The group provides construction and maintenance services to two secondary schools in the Newham (London, England) area under a Private Finance Initiative (PFI) contract. The schools included under the PFI contract are Rokeby Community School and Lister Community School.

Following the completion of construction activities on these two schools in 2011, this year's revenue of £2,696,000 is considerably reduced, in line with Directors' expectations.

Results and dividends

The results for the financial year are set out on page 7.

The group's profit for the financial year was £68,000 (2011 - £223,000). Total capital and reserves of the company at 31 March 2012 were £443,000 (2011 - £375,000).

The directors consider the performance of the company and of the group during the financial year, the financial position at the end of the year and the projection of the future to be satisfactory.

No dividends were declared during the year (2011 - NIL).

Principal risks and uncertainties

Newham Learning Partnership (Hold Co) Limited is the group for its subsidiary Newham Learning Partnership (Project Co) Limited. The subsidiary has taken on the activity, as detailed above, and is risk averse in its trading relationships with its customer, funders and sub-contractors as determined by the terms of their respective detailed PFI contracts. In extreme circumstances, the group could be exposed to subcontractors failing to perform their obligations, however these risks are managed and mitigated through close monitoring of subcontractor operations by the company e.g. by management making site visits and regular contract review meetings.

Following completion of the construction of the schools the property asset risk has been substantially reduced.

Financial risk management

The group has exposure to a variety of financial risks which are managed with the objective of minimising any potential adverse effect on the group's performance. The directors have policies for managing each of these risks and they are summarised below.

Interest rate risk

The term loan interest rate is fixed - details of this can be found on page 13.

Inflation risk

The group's project revenue and most of its costs were linked to inflation at the inception for the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The group adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. The PFI is operating under contract with cash managed through funding drawdown schedules set against the construction programme.

Credit risk

The principal customer of the group, London Borough of Newham, carried little credit risk.

All debt finance is approved by the Board of directors and the amount of exposure to any individual counterparty is subject to a limit.

Going Concern

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent undertakings, which are a joint venture of Laing O'Rourke PLC (68% shareholding), the London Borough of Newham (10% shareholding), Building Schools for the Future Investments LLP (10% shareholding) and RM Plc (12% shareholding).

Directors

The directors of the company during the year, and up to the date of signing the financial statements, are set out below

Adam Waddington - appointed 12 August 2011
Ceri Richards – appointed 02 March 2012
David Baldock
Edward Warwick
Lisa Scenna – resigned 02 March 2012
Nick English – appointed 12 August 2011 and resigned 01 August 2012
Peter Chappell
Richard Hoile – resigned 12 August 2011
Stephen Hockaday

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company 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 group and the company and of the profit or loss of the company and group for that period. In preparing these 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,
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In accordance with section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he/she has taken all the steps that he ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP., have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board on

17/9/12

and signed by order of the Board


Director, Stephen Hockaday

Independent auditors' report to the members of Newham Learning Partnership (Hold Co) Limited

We have audited the group and parent company financial statements of Newham Learning Partnership (Hold Co) Limited for the year ended 31 March 2012 which comprise the group Profit and Loss, the group and parent company Balance Sheet, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report and consolidated financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications on our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent company's affairs as at 31 March 2012 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.

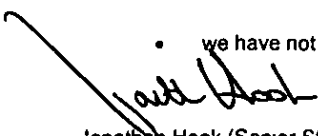
Opinion on other matter prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


Jonathan Hook (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date

18/9/12

Group profit and loss account for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Turnover		2,696	56,432
Cost of sales		(2,047)	(55,927)
Gross profit		649	505
Administrative expenses		(510)	(401)
Operating profit / (loss)	2	139	104
Interest receivable and similar income	3	3,927	2,527
Interest payable and similar charges	4	(3,974)	(2,322)
Profit on ordinary activities before taxation		92	309
Tax on profit on ordinary activities	5	(24)	(86)
Profit for the financial year	12	68	223

All turnover is earned in the UK

All items in the profit and loss account relate to continuing operations

There are no material differences between profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

The company has no recognised gains and losses other than those shown above and therefore, no separate statement of total recognised gains and losses has been presented

The above profit and loss account has been generated from the activities of Newham Learning Partnership (Project Co) Limited. Due to no income or expenditure arising within Newham Learning Partnership (Hold Co) Limited, it is exempt from presenting a separate company profit and loss account.

Balance sheets as at 31 March 2012

	Note	Group	Company	Group	Company
		2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Investments	6	-	1	-	1
		-	1	-	1
Non-current assets					
Debtors – amounts falling due after more than one year	8	57,360		56,861	
		57,360		56,861	
Current assets					
Debtors - due within one year	7	1,113	-	1,252	-
Cash at bank and in hand		3,784	-	482	-
		4,897	1	1,734	1
Creditors – amounts falling due within one year	9	(3,160)	-	(2,295)	-
Net current assets/liabilities		1,737	-	(561)	-
Total assets less current liabilities		59,097	1	56,300	1
Creditors – amounts falling due after more than one year	10	(58,654)	-	(55,925)	-
Net assets		443	1	375	1
Capital and reserves					
Called up share capital	11	1	1	1	1
Profit and loss account	12	442	-	374	-
Total shareholders' funds	13	443	1	375	1

The financial statements on pages 7 – 17 were approved by the Board on behalf by

17/9/12

and signed on its



Director, Stephen Hockaday,

Consolidated Cash flow Statement for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Cash flow statement			
Net cash outflow from operating activities	16	(490)	(9,491)
Returns on investments and servicing of finance		(46)	205
Taxation	5	(24)	(86)
Net cash outflow before financing		(560)	(9,372)
Financing			
Issue of share capital		-	-
(Decrease)/increase in term loan		(369)	20
Increase in loan notes	16	4,231	1,814
Net cash inflow from financing	16	3,862	1,834
Increase/(decrease) in cash in the year		3,302	(7,538)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the year		3,302	(7,538)
Loan financing	see above	(3,862)	(1,834)
Non-cash movements		-	-
Net debt at the start of the year		(55,993)	(46,621)
Net debt at the end of the year	17	(56,553)	(55,993)

Notes to the financial statements for the year ended 31 March 2012

1 Accounting policies

Basis of preparation of the financial statements

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The company has consistently applied all relevant accounting standards. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements include the results of the parent company and its subsidiary undertakings for the year to 31 March 2012. Uniform accounting policies are adopted across the group. Unless otherwise stated, the acquisition method of accounting has been applied. Under this method, subsidiaries are included from the date of acquisition. Disposals are accounted for up to the date control passes to a third party. Turnover and profits arising on all intra-group transactions are eliminated on consolidation.

Fixed asset investments

Investments are stated at cost less provision for impairment. Income from investments is included in the company profit and loss account as declared and, where the company's interest has arisen within its core businesses, such income is included within the company's operating results.

Trade and other debtors

Trade and other debtors are initially recorded at fair value and subsequently measured at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Work in progress, PFI financial asset and interest receivable

In accordance with the principles of FRS 5 "Reporting the substance of transactions" application note F "Private finance initiatives and similar contracts", the ownership of the tangible asset lies with the purchaser, therefore it is appropriate to recognise the asset as a financial asset.

Work in progress represents the costs arising on the construction of the assets including initial tender costs. During asset construction, finance interest is recognised on an accruals basis and capitalised within work in progress. Once the contract reaches its operational phase and is accepted by the customer, a sale is recognised and the work in progress balance is transferred to PFI financial asset, recognising that the construction asset has been sold by the company in return for a PFI financial asset receivable. In addition, a constant proportion of the planned net revenue arising from the contract is allocated to remunerate the PFI financial asset as an imputed interest receivable. Imputed interest receivable is allocated to the PFI financial asset using a property specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term, the PFI financial asset is expected to be repaid.

This method is appropriate since the company has significant property risks during the construction phase of the contract that reduce once construction has been completed.

Loan and overdrafts

Interest bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred and subsequently measured at amortised cost with the difference between initial net proceeds and redemption value recognised in the profit and loss account over the period to redemption.

Debt issue costs

Debt issue costs directly incurred have been offset against the related debt and will be charged to the profit and loss account during the operational phase at a constant carrying value of the debt.

Trade and other creditors

Trade and other creditors are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

Deferred income

Deferred income recognised under liabilities covers payments received concerning income in subsequent years.

Turnover

In accordance with the principles of FRS 5, turnover represents income received relating to the operating costs of the company. At the services commencement date, a sale is recognised transferring work in progress to the finance debtor in the profit and loss account. This recognises the change in status from work in progress to a long term receivable. Turnover is measured at the fair value of the consideration received or receivable net of sales tax.

All turnover takes place in the UK.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

2 Operating profit**Services provided by the group's auditors and its associates**

During the financial year the group (and its subsidiaries) obtained the following services from the company's auditors and its associates

	2012 £'000	2011 £'000
Services provided by the group's auditors and its associates		
Fees payable to the company's auditor for the audit of,		
The company's annual accounts and consolidated financial statements	4	4
The company's subsidiary pursuant to legislation	6	6
Audit fees payable to the company's auditor for other services		
Fees payable for other services – tax compliance	2	2

All charges for services provided by the company's auditors are borne by Newham Transformation Partnership Limited

Employee information

The company had no employees during the year (2011: none). Employment service costs are charged to the company through a contracted Management Services Agreement and capitalised into the finance debtor receivable during the construction period and expensed to the profit and loss account thereafter

Directors' emoluments

The directors received no emoluments for the financial year (2011: £nil)

3 Group interest receivable and similar income

	2012 £'000	2011 £'000
Interest receivable on PFI financial asset	3,916	2,496
Bank interest	-	-
Interest receivable	11	31
	3,927	2,527

4 Group interest payable and similar charges

	2012 £'000	2011 £'000
Interest on term loan	3,416	3,415
Interest on term loan capitalised	(4)	(1,138)
Interest on loan notes	532	23
Bank fees	30	22
	3,974	2,322

Interest on term loan and loan notes was capitalised until December 2011 when the first repayments commenced on the 31 December 2011 in quarterly instalments with the final repayment being due in September 2035

5 Group tax on profit on ordinary activities

	2012 £'000	2011 £'000
Current tax		
UK corporation tax on profits for the year at 26%	24	86

The tax assessed for the financial year is the standard effective rate of corporation tax in the UK for the year ending 31 March 2012 of 26% applied to the profit on ordinary activities before taxation. Any differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	92	309
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2011 28%)	24	86
Current tax for year	24	86

Factors affecting current and future tax charges

A number of changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012.

Further changes to the legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 in the Finance Bill 2012 have also been enacted. Proposals to reduce the rate by 1% each year to 22% by 1 April 2014 have also been made but not included in Finance Bill 2012. The changes have not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

6 Fixed asset investments

	Group	Company	Group	Company
	2012	2012	2011	2011
	£'000	£'000	£'000	£'000
At 31 March	-	1	-	1

On 9 February 2009, the company purchased 100% of the ordinary shares capital of Newham Learning Partnership (Project Co) Limited for a consideration of £1,000

The directors of the company believe the carrying value of the investment is supported by its underlying net assets

At 31 March 2012, the company had the following subsidiaries

Name	Principal activity	Ordinary shares
Newham Learning Partnership (Project Co) Limited	Construction of schools and maintenance services	100%

Newham Learning Partnership (Project Co) Limited is incorporated in England

7 Group debtors – amounts falling due within one year

	2012	2011
	£'000	£'000
Trade debtors	10	9
Recoverable VAT	-	59
Unitary charge control account	45	205
PFI financial asset	1,013	923
Prepayments and accrued income	45	56
	1,113	1,252

8 Group debtors – amounts falling due after more than one year

	2012	2011
	£'000	£'000
PFI financial asset	57,360	56,861
	57,360	56,861

The PFI financial asset represents amounts receivable for the construction of the two schools, Rokeby Community School and Lister Community School, in accordance with the principles of FRS 5 "Reporting substance of transactions" application note F "Private finance initiatives and similar contracts", beneficial ownership of the tangible asset lies with the purchaser of the services and not with the company as provider of those services

9 Group creditors - amounts falling due within one year

	2012	2011
	£'000	£'000
Loans (see note 10)	1,490	550
Trade creditors	13	115
Corporation tax	23	86
Value Added Tax	115	-
Building subcontractor accruals and retentions	128	1,371
Other accruals and deferred income	86	173
Term loan and loan notes interest accrual	1,305	-
	3,160	2,295

10 Group creditors – amounts falling due after more than one year

	2012 £'000	2011 £'000
Term loan	52,825	54,126
Loan notes	5,829	1,799
	58,654	55,925
Analysis of Debt	2012 £'000	2011 £'000
Term loan	54,784	55,174
Loan notes	5,853	1,814
Less unamortised issue costs	(491)	(513)
	60,146	56,475
Maturity of Debt	2012 £'000	2011 £'000
In one year or less	532	572
In more than one year, but not more than two years	1,395	1,357
In more than two years, but not more than five years	4,778	4,803
In more than five years	53,932	50,256
	60,637	56,988
Less unamortised issue costs	(491)	(513)
	60,146	56,475

The term loan repayments commenced on the 31 December 2011 in quarterly instalments with the final repayment being due in September 2034. The term loan has a fixed interest rate of 6.19%.

The company issued £3,860,592 of loan notes during the financial year (2011 - £1,793,221). At the financial year end there was £198,745 of loan notes interest rolled up (2011 - £20,583). The loan notes repayments commenced on the 31 December 2011 in quarterly instalments with the final repayment being due in September 2035. The loan notes have a fixed interest rate of 11.75%.

The group holds no derivative financial instruments.

The debts are secured on the assets and shares of the company.

11 Called up share capital

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Authorised				
1000 (2011 1000) ordinary shares of £1 (2011 £1) each	1	1	1	1
Allotted and fully paid				
1000 (2011 1000) ordinary shares of £1 (2011 £1) each	1	1	1	1

The company received £1,000 in consideration for the shares. There were no associated transaction costs.

12 Profit and loss account

	Group	Company	Group	Company
	2012	2012	2011	2011
	£'000	£'000	£'000	£'000
Balance at 1 April 2011	374	-	151	-
Profit for the financial year	68	-	223	-
Balance at 31 March	442	-	374	-

13 Reconciliation of movements in shareholders' funds

	Group	Company	Group	Company
	2012	2012	2011	2011
	£'000	£'000	£'000	£'000
Opening shareholders' funds at 1 April	375	1	152	1
Profit for the financial year	68	0	223	0
Closing shareholders' funds at 31 March	443	1	375	1

14 Ultimate parent undertaking and controlling parties

Newham Learning Partnership (Hold Co) Limited is owned by Newham Learning Partnership PSP Limited (72% shareholding), Newham Transformation Partnership Limited (10% shareholding), London Borough of Newham (9% shareholding) and Building Schools for the Future investments LLP (9% shareholding)

Newham Learning Partnership PSP Limited is owned by Laing O'Rourke Plc (85% shareholding) and RM plc (15% shareholding) in a joint venture

Newham Transformation Partnership Limited is owned by Newham Learning Partnership PSP Limited (80% shareholding), London Borough of Newham (10% shareholding) and Building Schools for the Future investments LLP (10% shareholding)

The ultimate parent undertakings and controlling parties are a joint venture of Laing O'Rourke Plc (68% shareholding), Newham Borough Council (10% shareholding), Building Schools for the Future Investments LLP (10% shareholding) and RM Plc (12% shareholding)

Laing O'Rourke Corporation Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2012. The consolidated statements of Laing O'Rourke Corporation Limited are available from Julia House, 3 Themistocles Dervis Street, CY – 1066 Nicosia, Cyprus

Group Related party disclosures

Name of related party	Relationship	Type of transaction	Income/(Charges) for the year 2012 £'000	Balance due (to)/from 2012 £'000
Building Schools for the Future Investments LLP	Group undertaking	Letter of credit fees	(26)	(26)
Building Schools for the Future Investments LLP	Group undertaking	Loan note interest	(53)	(17)
Building Schools for the Future Investments LLP	Group undertaking	Loan note principal	-	(585)
Laing O'Rourke Construction Limited	Relative of ultimate shareholder	Construction costs	(2,821)	(128)
Laing O'Rourke Construction Limited	Ultimate shareholder	Loan note interest	(362)	(117)
Laing O'Rourke Construction Limited	Ultimate shareholder	Loan note principal	-	(3,980)
London Borough of Newham	Group undertaking	Facilities Management	2,693	-
London Borough of Newham	Group undertaking	Loan note interest	(53)	(17)
London Borough of Newham	Group undertaking	Loan note principal	-	(585)
Newham Learning Partnership PSP Limited	Group undertaking	Loan note interest	(137)	-
Newham Learning Partnership PSP Limited	Group undertaking	Loan note principal	-	(4,682)
Newham Transformation Partnership Limited	Group undertaking	Management service fee	(410)	-
Newham Transformation Partnership Limited	Group undertaking	Loan note interest	(17)	-
Newham Transformation Partnership Limited	Group undertaking	Loan note principal	-	(585)
RM Plc	Ultimate shareholder	Letter of credit fees	(17)	(17)
RM Plc	Ultimate shareholder	Loan note interest	(64)	(21)
RM Plc	Ultimate shareholder	Loan note principal	-	(702)

Comparatives from last year

Name of related party	Relationship	Type of transaction	Income/(Charges) for the year 2011 £'000	Balance due(to)/from 2011 £'000
Building Schools for the Future Investments LLP	Group undertaking	Letter of credit fees	(22)	(22)
Building Schools for the Future Investments LLP	Group undertaking	Loan note interest	(2)	-
Building Schools for the Future Investments LLP	Group undertaking	Loan note principal	-	(163)
Laing O'Rourke Construction Limited	Relative of ultimate shareholder	Construction costs	(10,690)	(1,371)
London Borough of Newham	Group undertaking	Facilities Management	4,998	-
London Borough of Newham	Group undertaking	Loan note interest	(2)	-
London Borough of Newham	Group undertaking	Loan note principal	-	(163)
Newham Learning Partnership PSP Limited	Group undertaking	Loan note interest	(17)	-
Newham Learning Partnership PSP Limited	Group undertaking	Loan note principal	-	(1,305)
Newham Transformation Partnership Limited	Group undertaking	Management service fee	(763)	-
Newham Transformation Partnership Limited	Group undertaking	Loan note interest	(2)	-
Newham Transformation Partnership Limited	Group undertaking	Loan note principal	-	(181)
RM Plc	Ultimate shareholder	Letter of credit fees	(13)	(13)

15 Group cashflow from operating activities

	2012 £'000	2011 £'000
Operating profit for financial year	139	104
Increase in debtors	(361)	(8,338)
Decrease in creditors	(268)	(1,257)
Net cash outflow from operating activities	(490)	(9,491)

16 Group analysis of changes in net debt

	As at 1 April 2011 £'000	Cashflow £'000	As at 31 March 2012 £'000
Cash at bank and in hand	482	3,302	3,784
Term loan	(54,661)	369	(54,292)
Loan notes	(1,814)	(4,231)	(6,045)
Net debt	(55,993)	(560)	(56,553)