

AURA (NEWCASTLE) PROJECT COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2010



Registered in England and Wales No. 6064430

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

REPORT OF THE DIRECTORS

Directors D R V Luscombe
 R J W Wotherspoon
 A P Fordyce
 K J Thirlwell
 B M Cashin

Secretary R P Walker

The directors present their report and the financial statements for the year ended 31 March 2010

1 RESULTS FOR THE YEAR

The loss for the year on ordinary activities after taxation amounted to £257,975 (2009 £207,622 profit) which has been added to the surplus brought forward of £201,277 to give a deficit of £56,698 to carry forward

The directors cannot recommend payment of a final dividend (2009 £Nil)

2 PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

On 5 July 2007 the company completed financial close on a Private Finance Initiative project to design, build, finance and operate seven schools in Newcastle upon Tyne

On the same date the company entered into two term debt facilities with BNP Paribas (BNP) and European Investment Bank (EIB) totalling £106,551,250. Further funding has been provided by subordinated loans from the shareholders

As at the balance sheet date, the project has substantially completed the construction phase. The first school became operational during May 2008, and the final school became operational during February 2009. Final completion of the construction occurred in July 2010.

3 REVIEW OF THE BUSINESS

The company continues to meet its contractual obligations to Newcastle City Council whilst also working to improve its efficiency in controlling costs.

Key performance indicators (KPIs) include the monitoring of cash flow and the management of working capital.

The company's operations are managed under the supervision of its directors in accordance with its funding arrangements. These operations are largely determined by the detailed terms of the PFI contract. For this reason, the company's directors consider that further KPIs for the company are not necessary or appropriate for an understanding of the performance or position of the business.

4 PRINCIPAL RISKS AND UNCERTAINTIES

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The board has policies for managing each of these risks and they are summarised below.

Interest rate risk

The company hedged its interest rate risk at the inception of the project through the use of interest rate swaps on the majority of its debt.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

4 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Inflation risk

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

Liquidity risk

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. The nature of the project is such that cash flows are reasonably predictable

Credit risk

The company receives its revenue from Newcastle City Council

5 DIRECTORS

The directors, as set out above, served throughout the year and remain in office

6 DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

This confirmation is given and should be interpreted in accordance with the provisions of S 418 of the Companies Act 2006

7 AUDITORS

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office

By Order of the Board



R P Walker
Secretary

Registered Office
Eaton Court
Maylands Avenue
Hemel Hempstead
Herts
HP2 7TR

27th September 2010

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period.

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,
- 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.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AURA (NEWCASTLE) PROJECT COMPANY LIMITED

We have audited the financial statements on pages 5 to 14. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement on page 3, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss 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 matters 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 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; 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.

Baker Tilly UK Audit LLP

Jonathan Mann (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

28th September 2010

AURA (NEWCASTLE) PROJECT COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**Year ended 31 March 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		£	£
Turnover	1, 2	11,109,816	46,773,415
Cost of sales	1	(10,710,837)	(46,619,164)
		<hr/>	<hr/>
Operating profit	3	398,979	154,251
Interest receivable and similar income	4	6,622,544	3,671,401
Interest payable and similar charges	5	(7,379,822)	(3,457,374)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(358,299)	368,278
Tax on (loss)/profit on ordinary activities	6	100,324	(160,656)
		<hr/>	<hr/>
Retained (loss)/profit for the financial year	14	(257,975)	207,622
Profit and loss account brought forward		201,277	(6,345)
		<hr/>	<hr/>
Profit and loss account carried forward		(56,698)	201,277
		<hr/>	<hr/>

There are no recognised gains or losses other than the retained (loss)/profit for the financial year (2009 £Nil) and therefore no statement of total recognised gains and losses is given

The operating profit for the year arises from the company's continuing operations

The notes on pages 7 to 14 form part of these financial statements

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2010

Company Registration No 6064430

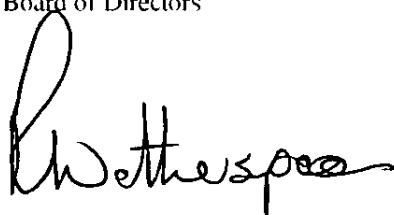
	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		£	£
CURRENT ASSETS			
Work in progress		-	746 078
Debtors Amounts falling due within one year	8	2,174 628	2,037,192
Debtors Amounts falling due after more than one year	9	110,605,974	108,132,568
Cash at bank and in hand		6,675,523	5 939,829
		<hr/>	<hr/>
		119,456,125	116,855,667
CURRENT LIABILITIES			
Creditors Amounts falling due within one year	10	(3,663,322)	(16,709,780)
		<hr/>	<hr/>
NET CURRENT ASSETS		115,792,803	100 145,887
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(115,799,501)	(99 894 610)
		<hr/>	<hr/>
NET (LIABILITIES)/ASSETS		(6,698)	251,277
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account		(56,698)	201,277
		<hr/>	<hr/>
SHAREHOLDERS (DEFICIT)/FUNDS	14	(6 698)	251 277
		<hr/>	<hr/>

The notes on pages 7 to 14 form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2010

Signed on behalf of the Board of Directors

R J W Wotherspoon



Director

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular policies adopted are described below and have been applied consistently throughout the current and preceding periods.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the company is set out in the balance sheet and the accompanying notes to the financial statements.

The directors believe that the company has satisfactory financial resources to allow it to operate its Private Finance Initiative contract. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors consider that, after reviewing the latest forecasts, the company has sufficient funds to cover its short term liabilities and will be in a position to pay its long term debts as they reach maturity.

The financial statements have therefore been prepared on a going concern basis.

Work in progress

Work in progress includes all construction related costs and bid costs incurred after the company became preferred bidder. It also includes all relevant finance costs incurred during the construction period. Work in progress does not include any interest receivable since such receipts are taken directly to the profit and loss account.

Turnover, cost of sales and finance debtor

The company is an operator of a Private Finance Initiative contract. The underlying asset is not deemed to be an asset of the company under Financial Reporting Standard No. 5, Reporting the Substance of Transactions (Application Note F) because the risks and rewards of ownership as set out in that standard are deemed to lie principally with Newcastle City Council.

During the construction period turnover is recognised periodically in the profit and loss account and a finance debtor is recorded in the balance sheet based upon the value of the construction work done. At the same time costs are transferred from work in progress to cost of sales in the profit and loss account such that no overall profit is recognised during the construction phase.

During the operational phase of the project income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the unitary charge income is included within turnover in accordance with Financial Reporting Standard No. 5, Reporting the Substance of Transactions (Application Note G). The company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

All turnover is generated within the United Kingdom.

Loans

Loans are stated after the deduction of costs incurred in the arrangement of the finance. These costs are amortised over the period of the loan on a reducing balance basis.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1 ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

For an interest swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the period of the contracts.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow

Under Financial Reporting Standard No. 1, Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement since it is included within the consolidated accounts of the ultimate parent company.

2 TURNOVER

	<u>2010</u> £	<u>2009</u> £
Deemed disposal of completed PFI schools	8,677,043	45,401,734
Unitary income	2,432,773	1,371,681
	<u>11,109,816</u>	<u>46,773,415</u>

3 OPERATING PROFIT

Operating profit is derived after charging

	<u>2010</u> £	<u>2009</u> £
Auditors' remuneration - audit fee	9,400	18,375
- non-audit fee - tax	3,850	7,875
	<u>13,250</u>	<u>26,250</u>

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2010</u> £	<u>2009</u> £
Finance debtor interest receivable	6,607,107	3,422,815
Bank interest receivable	15,437	248,586
	<u>6,622,544</u>	<u>3,671,401</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2010</u>	<u>2009</u>
	£	£
Interest payable	7,327,959	3,417,493
Commitment fees	6,800	6,800
Amortisation of finance costs	45,063	33,081
	<u>7,379,822</u>	<u>3,457,374</u>

6 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>2010</u>	<u>2009</u>
	£	£
On the results for the year		
Corporation tax - current period	-	160,656
Corporation tax - prior period	(100,324)	-
	<u>(100,324)</u>	<u>160,656</u>

Factors affecting the tax (credit)/charge for the current period

	<u>2010</u>	<u>2009</u>
	£	£
(Loss)/profit on ordinary activities before taxation	(358,299)	368,278
United Kingdom Corporation Tax at 28% (2009 28%)	(100,324)	103,118
Expenses not deductible for tax purposes	-	59,315
Expenses not deductible for tax purposes - tax adjustments	100,324	-
Adjustments to tax charge in respect of prior periods	(100,324)	-
Utilisation of tax losses	-	(1,777)
Current tax (credit)/charge for the period	<u>(100,324)</u>	<u>160,656</u>

There were no unrecognised deferred tax assets at the year end (2009 £Nil)

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year (2009 None) and no emoluments were paid to the directors in respect of their services to the company (2009 £Nil) £21,170 (2009 £20,706) was payable to the controlling shareholders for directors' services

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u>	<u>2009</u>
	£	£
Trade debtors	-	104,392
Finance debtor	2,028,271	1,817,898
Taxation - VAT	-	34,891
Corporation tax	100,324	-
Prepayments and accrued income	46,033	80,011
	<u>2,174,628</u>	<u>2,037,192</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

9 DEBTORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2010</u> £	<u>2009</u> £
Finance debtor	110,605,974	108,132,568

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u> £	<u>2009</u> £
Loans (see note 12)	1,688 376	10,607,880
Trade creditors	55,915	648,319
Other creditors	32,430	12,925
Taxation - VAT	72 103	-
Corporation tax	-	160,656
Accruals and deferred income	1,814 498	5,280,000
	<u>3 663 322</u>	<u>16,709,780</u>

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2010</u> £	<u>2009</u> £
Loans (see note 12)	113,628,927	98,854,609
Accruals and deferred income	2 170 574	1,040 001
	<u>115 799 501</u>	<u>99 894,610</u>

12 LOANS

	Loan <u>£</u>	Arrangement Cost <u>£</u>	FRS4 Amortisation <u>£</u>	Total <u>£</u>
At 1 April 2009				
(a) BNP term loan	50,205 000	(427 400)	25 963	49 803 563
(b) EIB term loan	50 018,450	(265,832)	16,148	49 768 766
(c) BNP equity bridge loan	8,174 520	(30,276)	30,276	8,174,520
(d) Subordinate loan	1,917,480	-	-	1,917,480
(e) Shareholder loan notes	-	(201,840)	-	(201,840)
(f) Change in Law Facility	-	(13,600)	13,600	-
	<u>110,315,450</u>	<u>(938,948)</u>	<u>85,987</u>	<u>109,462,489</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

12 LOANS (CONTINUED)

	Loan	Arrangement Cost	FRS4 Amortisation	Total
	£	£	£	£
Draw downs/Profit and Loss Account charge during the year				
(a) BNP term loan	3,180,419	-	25,138	3,205,557
(b) EIB term loan	3,147,800	-	15,636	3,163,436
(c) BNP equity bridge loan	-	-	-	-
(d) Subordinate loan	-	-	-	-
(e) Shareholder loan notes	10,092,000	-	4,289	10,096,289
(f) Change in Law Facility	-	-	-	-
	<u>16,420,219</u>	<u>-</u>	<u>45,063</u>	<u>16,465,282</u>

Repayments/reclassifications

(a) BNP term loan	-	-	-	-
(b) EIB term loan	(518,468)	-	-	(518,468)
(c) BNP equity bridge loan	(8,174,520)	30,276	(30,276)	(8,174,520)
(d) Subordinate loan	(1,917,480)	-	-	(1,917,480)
(e) Shareholder loan notes	-	-	-	-
(f) Change in Law Facility	-	-	-	-
	<u>(10,610,468)</u>	<u>30,276</u>	<u>(30,276)</u>	<u>(10,610,468)</u>

At 31 March 2010

(a) BNP term loan	53,385,419	(427,400)	51,101	53,009,120
(b) EIB term loan	52,647,782	(265,832)	31,784	52,413,734
(c) BNP equity bridge loan	-	-	-	-
(d) Subordinate loan	-	-	-	-
(e) Shareholder loan notes	10,092,000	(201,840)	4,289	9,894,449
(f) Change in Law Facility	-	(13,600)	13,600	-
	<u>116,125,201</u>	<u>(908,672)</u>	<u>100,774</u>	<u>115,317,303</u>

Made up as follows

Included in Creditors - Amounts falling due within one year	1,688,376
Included in Creditors - Amounts falling due after more than one year	113,628,927
	<u>115,317,303</u>

- (a) The BNP term loan bears interest at LIBOR plus an applicable margin plus the Reserve Asset Costs. The applicable margin was 0.7% until 30 September 2009 and 0.6% thereafter. An interest rate swap has been used to reduce the company's exposure to fluctuating interest rates. The loan has been fully drawn down and is repayable in semi-annual instalments from 31 March 2011 to 30 September 2033 plus a final payment on 31 December 2033.
- (b) The EIB term loan bears interest at 5.589% plus an applicable margin. The applicable margin is 0.6% until 30 September 2011 and 0.15% thereafter. The loan has been fully drawn down and is repayable in semi-annual instalments from 31 March 2010 to 30 September 2032 plus a final payment on 31 December 2032.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

12 LOANS (CONTINUED)

The term loans are part of the senior debt facility and are secured by a fixed and floating charge over the assets of the company

(c) Interest on the BNP equity bridge loan was charged at the aggregate of LIBOR 0.2% and the Reserve Assets Costs. An interest rate swap was used to reduce the company's exposure to fluctuating interest rates. The loan was repaid in full on 30 September 2009. The equity bridge loan was subordinate to the term loans.

(d) Interest on the subordinate loan was charged at 5.91%. The loan was repaid in full on 30 September 2009. It was subordinate to the term and equity bridge loans.

(e) Shareholder loan notes of £10,092,000 were drawn down in full by Aura (Newcastle) Project Company Limited during September 2009. 10,092,000 £1 loan notes were issued at par. Interest on the loan notes is charged at 12.36%. The loan notes are repayable in semi-annual instalments from 31 March 2010 to 31 March 2035. The loan notes are held by the company's parent company, and are subordinate to the other loans.

(f) In addition to the other loans, a Change in Law facility of £1,700,000 is also available.

The loans are repayable as follows

	<u>2010</u> £	<u>2009</u> £
In less than 1 year	1,697,665	10,610,468
In 1 - 2 years	2,495,035	1,685,868
In 2 - 5 years	9,012,440	8,111,917
Over 5 years	102,920,061	89,907,197
	<u>116,125,201</u>	<u>110,315,450</u>

Arrangement costs relate to those costs incurred in raising the term loans, equity bridge loan, Change in Law facility and shareholder loan notes. All arrangement costs capitalised are amortised over the period of the debt to which they relate, with the exception of the arrangement cost of the change in law facility. As there is no set drawdown or repayment profile for this facility, the costs were expensed immediately.

13 CALLED UP SHARE CAPITAL

	<u>2010</u> £	<u>2009</u> £
Allotted, called up and fully paid 50,000 Ordinary shares of £1 each	50,000	50,000

14 RECONCILIATION OF SHAREHOLDERS' (DEFICIT)/FUNDS

	<u>2010</u> £	<u>2009</u> £
Opening shareholders' funds	251,277	43,655
Retained (loss)/profit for the financial year	(257,975)	207,622
Closing shareholders' (deficit)/funds	<u>(6,698)</u>	<u>251,277</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

15 DERIVATIVES NOT INCLUDED AT FAIR VALUE

At the balance sheet date the company had the following open derivatives that were not included in the accounts at fair value

Fair value of derivative	<u>2010</u> £	<u>2009</u> £
Loss on interest rate swaps		
BNP term loan (note 12 (a))	9,929,875	12,279,084
BNP equity bridge loan (note 12 (c))	-	189,187
	<u>9,929,875</u>	<u>12,468,271</u>

The interest rate swap applying to the BNP term loan matures on 30 December 2033 and the interest rate swap applying to the BNP equity bridge loan matured on 30 September 2009

16 RELATED PARTY TRANSACTIONS

The company has entered into the following material transactions with related parties

On 5 July 2007 the company entered into a contract with Sir Robert McAlpine Limited, a group member of one of the company's ultimate shareholders for the construction of seven schools in Newcastle. An amount of £9,097,581 (2009: £38,499,791) was payable under this contract during the year and has been included within the finance debtor £616,533 (2009: £2,952,454) was unpaid at the year end, of which £55,810 (2009: £425,810) was included within trade creditors, £560,723 (2009: £2,411,860) was included within accruals and deferred income due within one year and £Nil (2009: £114,784) was included within accruals and deferred income due in more than one year at the year end.

During the year an amount of £Nil (2009: £241,974) was payable in respect of mobilisation services to Robertson Facilities Management Limited, a group member of one of the company's ultimate shareholders.

A further amount of £1,689,722 (2009: £939,637) was payable to Robertson Facilities Management Limited under a contract for facilities management of the schools. Of this, £411,973 (2009: £158,229) was unpaid at the year end and included within trade creditors and accruals and deferred income due within one year.

During the year an amount of £Nil (2009: £28,875) was payable in respect of running costs to Parsons Brinckerhoff Limited, a group member of one of the company's ultimate shareholders. Of this, £7,875 (2009: £15,750) was unpaid at the year end and included within accruals and deferred income due within one year.

On 5 July 2007 the company entered into a contract with Aura Newcastle Limited, a shareholder of its immediate parent company for administrative, company secretarial and contract management services. £125,701 (2009: £131,884) was payable under this contract during the year, and £20,531 (2009: £29,324) was included within accruals and deferred income due within one year at the year end.

A fee of £21,170 (2009: £20,706) was payable to Aura Holdings (Newcastle) Limited, the company's ultimate parent company for directors' services during the year, and £15,877 (2009: £35,706) was included within accruals and deferred income due within one year at the year end.

A loan of £1,917,480 was repaid by Aura (Newcastle) Holding Company Limited, the company's immediate parent company during the year to 31 March 2010. Interest of £56,817 (2009: £113,323) was payable on this loan.

On 30 September 2009, a subordinate loan of £10,092,000 was provided by Aura (Newcastle) Holding Company Limited. Interest of £664,148 (2009: £Nil) was payable on this loan, and was included within accruals and deferred income due within one year at the year end.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

17 ULTIMATE PARENT COMPANY

The immediate parent company is Aura (Newcastle) Holding Company Limited and the ultimate parent company is Aura Holdings (Newcastle) Limited which is incorporated in Great Britain and registered in England and Wales. Aura Holdings (Newcastle) Limited is the only company to prepare consolidated accounts which include the results of this entity. Copies of the group accounts can be obtained from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR.