

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

Registered in England and Wales No. 6064430

TUESDAY



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AURA (NEWCASTLE) PROJECT COMPANY LIMITED

REPORT OF THE DIRECTORS

Directors: D R V Luscombe
R J W Wotherspoon
A P Fordyce
K J Thirlwell
A Waddington (resigned 22 April 2013)
S R Shah (appointed 17 May 2013 and resigned 16 April 2014)
A Clapp (appointed 16 April 2014)

Secretary: K J Pearson

The directors present their report and the financial statements for the year ended 31 March 2014.

1. DIRECTORS

On 22 April 2013 A Waddington resigned as a director. On 17 May 2013 S R Shah was appointed as a director.

On 16 April 2014 S R Shah resigned as a director, and on the same date A Clapp was appointed as a director.

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

2. DISCLOSURE OF INFORMATION TO AUDITOR

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.

3. AUDITOR

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

On behalf of the Board



K J Pearson
Secretary

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

8 September 2014

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

STRATEGIC REPORT

1. RESULTS FOR THE YEAR

The profit for the year on ordinary activities after taxation amounted to £248,910 (2013: £137,662) which has been added to the deficit brought forward of £192,644 to give a surplus of £56,266 to carry forward.

The directors do not recommend payment of a final dividend (2013: £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 £107m. Further funding of £10m has been provided by subordinated loans from the shareholders.

Final completion of the construction occurred in July 2010 and the project is operational.

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.

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 in the form of a unitary payment, and therefore is not exposed to significant credit risk.

Approved by the Board and signed on its behalf by:



K J Pearson
Secretary

8 September 2014

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 AUDITOR'S REPORT TO THE MEMBERS OF AURA (NEWCASTLE) PROJECT COMPANY LIMITED

We have audited the financial statements on pages 5 to 15. 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 auditor

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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

Linda Gray (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP

19 September 2014

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
Turnover		3,595,595	2,861,438
Cost of sales		(3,295,037)	(2,585,245)
		<hr/>	<hr/>
Operating profit	2	300,558	276,193
Interest receivable and similar income	3	7,068,604	7,217,150
Interest payable and similar charges	4	(7,046,887)	(7,310,804)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		322,275	182,539
Tax on profit on ordinary activities	5	(73,365)	(44,877)
		<hr/>	<hr/>
Profit for the financial year	13, 14	248,910	137,662
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit for the financial year (2013: £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 8 to 15 form part of these financial statements.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2014

Company Registration No. 6064430

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	2,377,146	2,283,259
Debtors: Amounts falling due after more than one year	8	102,572,392	104,903,080
Investments - short term deposits		6,411,528	5,594,000
Cash at bank and in hand		1,546,322	1,610,765
		<hr/>	<hr/>
		112,907,388	114,391,104
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	(5,613,007)	(4,759,637)
		<hr/>	<hr/>
NET CURRENT ASSETS		107,294,381	109,631,467
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(107,188,115)	(109,774,111)
		<hr/>	<hr/>
NET ASSETS/(LIABILITIES)		106,266	(142,644)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Profit and loss account	13	56,266	(192,644)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS/(DEFICIT)	14	106,266	(142,644)
		<hr/>	<hr/>

The notes on pages 8 to 15 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on **8 September** 2014.

Signed on behalf of the Board of Directors.



D R V Luscombe

Director

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
Net cash flow from operating activities		1,801,434	1,321,922
Returns on investments and servicing of finance			
Interest received		7,086,880	7,227,746
Interest paid		(7,026,407)	(7,279,081)
Commitment fees paid		(6,361)	(6,523)
		<u>54,112</u>	<u>(57,858)</u>
Taxation			
UK Corporation tax paid		(12,734)	-
Capital expenditure and financial investment			
Decrease in finance debtor		2,174,149	2,028,125
		<u>2,174,149</u>	<u>2,028,125</u>
Net cash flow before management of liquid resources and financing		4,016,961	3,292,189
Management of liquid resources			
Increase in short term deposits		(817,528)	(625,000)
Financing			
Repayment of loans		(3,263,876)	(3,308,651)
		<u>(64,443)</u>	<u>(641,462)</u>
Decrease in cash		<u>(64,443)</u>	<u>(641,462)</u>
Reconciliation of operating profit to operating cash flow			
Operating profit		300,558	276,193
Increase in debtors		(9,883)	(9,681)
Increase in creditors		1,510,759	1,055,410
		<u>1,801,434</u>	<u>1,321,922</u>
Net cash flow from operating activities		<u>1,801,434</u>	<u>1,321,922</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash		(64,443)	(641,462)
Cash flow from increase in liquid resources		817,528	625,000
Cash flow from decrease in debt		3,263,876	3,308,651
		<u>4,016,961</u>	<u>3,292,189</u>
Movement in net debt resulting from cash flows		4,016,961	3,292,189
Finance charges and capitalised interest		(47,154)	(51,382)
		<u>3,969,807</u>	<u>3,240,807</u>
Net debt at the start of the year	15	(100,279,787)	(103,520,594)
Net debt at the end of the year	15	<u>(96,309,980)</u>	<u>(100,279,787)</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

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 Strategic Report and 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.

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 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.

Investments

Investments comprise of term deposits of less than one year. These are included as liquid resources.

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.

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.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively 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.

2. OPERATING PROFIT

Operating profit is derived after charging:

	<u>2014</u> £	<u>2013</u> £
Auditors' remuneration - audit fee	10,967	10,500
- non-audit fee – tax compliance	5,362	5,600
	<u>16,329</u>	<u>16,100</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2014</u> £	<u>2013</u> £
Finance debtor interest receivable	7,022,668	7,158,713
Bank interest receivable	45,936	58,437
	<u>7,068,604</u>	<u>7,217,150</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2014</u> £	<u>2013</u> £
Interest payable	6,993,406	7,253,018
Commitment fees	6,327	6,404
Amortisation of finance costs	47,154	51,382
	<u>7,046,887</u>	<u>7,310,804</u>

For further details of interest paid to group companies see note 17.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

On the results for the year:

	<u>2014</u> £	<u>2013</u> £
Current year tax:		
United Kingdom Corporation Tax	19,106	12,734
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	47,182	28,543
Effect of tax rate change on opening balance	7,077	3,600
	<hr/>	<hr/>
	54,259	32,143
	<hr/>	<hr/>
Tax on profit on ordinary activities	73,365	44,877
	<hr/>	<hr/>
Factors affecting the current tax charge for the year:		
	<u>2014</u> £	<u>2013</u> £
Profit on ordinary activities before taxation	322,275	182,539
	<hr/>	<hr/>
United Kingdom Corporation Tax at 23% (2013: 24%)	74,123	43,809
Utilisation of tax losses and other deductions	(54,259)	(29,784)
Marginal relief	(758)	(1,291)
	<hr/>	<hr/>
Current tax charge for the year	19,106	12,734
	<hr/>	<hr/>

There were no unrecognised deferred tax assets at the year end (2013: £Nil).

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year (2013: None) and no emoluments were paid to the directors in respect of their services to the company (2013: £Nil). £25,012 (2013: £24,226) was payable to the controlling shareholders for directors' services.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u> £	<u>2013</u> £
Trade debtors	14,582	-
Finance debtor	2,330,689	2,174,150
Deferred tax asset	-	54,259
Prepayments and accrued income	31,875	54,850
	<hr/>	<hr/>
	2,377,146	2,283,259
	<hr/>	<hr/>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

The deferred tax asset relates wholly to accumulated tax losses within the company, and has been recognised as follows:

	<u>2014</u> £	<u>2013</u> £
At the start of the financial year	54,259	86,402
Charged to the profit and loss account	(54,259)	(32,143)
At the end of the financial year	<u>-</u>	<u>54,259</u>

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2014</u> £	<u>2013</u> £
Finance debtor	102,572,392	104,903,080

The finance debtor shown within debtors due within one year and after more than one year includes £4,231,158 of capitalised interest (2013: £4,318,850).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u> £	<u>2013</u> £
Loans (see note 11)	3,794,249	3,279,848
Other creditors	110,503	92,480
Taxation - VAT	538,692	344,327
Corporation tax	19,106	12,734
Accruals and deferred income	1,150,457	1,030,248
	<u>5,613,007</u>	<u>4,759,637</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2014</u> £	<u>2013</u> £
Loans (see note 11)	100,473,581	104,204,704
Accruals and deferred income	6,714,534	5,569,407
	<u>107,188,115</u>	<u>109,774,111</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

11. LOANS

	Loan	Arrangement Cost	FRS4 Amortisation	Total
	£	£	£	£
At 1 April 2013				
(a) BNP term loan	49,963,948	(427,400)	125,525	49,662,073
(b) EIB term loan	49,085,232	(265,832)	78,073	48,897,473
(c) Shareholder loan notes	9,093,337	(201,840)	33,509	8,925,006
(d) Change in Law Facility	-	(13,600)	13,600	-
	<u>108,142,517</u>	<u>(908,672)</u>	<u>250,707</u>	<u>107,484,552</u>
Repayments/Profit and Loss Account charge during the year				
(a) BNP term loan	(1,448,347)	-	23,598	(1,424,749)
(b) EIB term loan	(1,365,455)	-	14,678	(1,350,777)
(c) Shareholder loan notes	(450,074)	-	8,878	(441,196)
(d) Change in Law Facility	-	-	-	-
	<u>(3,263,876)</u>	<u>-</u>	<u>47,154</u>	<u>(3,216,722)</u>
At 31 March 2014				
(a) BNP term loan	48,515,601	(427,400)	149,123	48,237,324
(b) EIB term loan	47,719,777	(265,832)	92,751	47,546,696
(c) Shareholder loan notes	8,643,263	(201,840)	42,387	8,483,810
(d) Change in Law Facility	-	(13,600)	13,600	-
	<u>104,878,641</u>	<u>(908,672)</u>	<u>297,861</u>	<u>104,267,830</u>

Made up as follows:

	2014 £	2013 £
Included in Creditors: Amounts falling due within one year	3,794,249	3,279,848
Included in Creditors: Amounts falling due after more than one year	100,473,581	104,204,704
	<u>104,267,830</u>	<u>107,484,552</u>

- (a) The BNP term loan bears interest at LIBOR plus an applicable margin of 0.6% plus the Reserve Asset Costs. 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 of 0.15%. 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.

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.

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

11. LOANS (CONTINUED)

(c) Unsecured 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 and by 31 March 2014 1,448,737 notes had been repaid at par. The loan notes are held by the company's parent company, and are subordinate to the other loans.

(d) In addition to the other loans, a Change in Law facility of £1,544,926 (2013: £1,591,047) is also available.

The loans are repayable as follows:

	<u>2014</u> £	<u>2013</u> £
In less than 1 year	3,822,497	3,326,652
In 1 - 2 years	2,948,696	3,150,829
In 2 - 5 years	10,573,763	9,503,151
Over 5 years	87,533,685	92,161,885
	<u>104,878,641</u>	<u>108,142,517</u>

Arrangement costs relate to those costs incurred in raising the term loans, 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.

12. CALLED UP SHARE CAPITAL

	<u>2014</u> £	<u>2013</u> £
Allotted, called up and fully paid: 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

13. RESERVES

	<u>Profit and loss account</u> £
As at 1 April 2013	(192,644)
Profit for the financial year	248,910
As at 31 March 2014	<u>56,266</u>

14. RECONCILIATION OF SHAREHOLDERS' FUNDS/(DEFICIT)

	<u>2014</u> £	<u>2013</u> £
Opening shareholders' (deficit)	(142,644)	(280,306)
Profit for the financial year	248,910	137,662
Closing shareholders' funds/(deficit)	<u>106,266</u>	<u>(142,644)</u>

AURA (NEWCASTLE) PROJECT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

15. ANALYSIS OF NET DEBT

	At 1 April 2013 £	Cash Flow £	Other non cash movement £	At 31 March 2014 £
Cash at bank and in hand	1,610,765	(64,443)	-	1,546,322
Investments - short term deposits	5,594,000	817,528	-	6,411,528
Loans due within one year	(3,279,848)	3,263,876	(3,778,277)	(3,794,249)
Loans due after one year	(104,204,704)	-	3,731,123	(100,473,581)
	<u>(100,279,787)</u>	<u>4,016,961</u>	<u>(47,154)</u>	<u>(96,309,980)</u>

Other non cash movement relates to FRS4 amortisation (see note 11).

16. 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.

	2014 £	2013 £
Fair value of derivative:		
Loss on interest rate swaps		
BNP term loan (note 11 (a))	13,460,832	19,826,120

The interest rate swap applying to the BNP term loan matures on 30 December 2033.

17. RELATED PARTY TRANSACTIONS

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

Robertson Facilities Management Limited was until 27 September 2013 a group member of one of the company's ultimate shareholders. An amount of £1,655,035 (2013: £2,164,731) was payable to this date under a contract for facilities management of the schools. Of this, £5,106 (2013: £178,856) was unpaid at the year end and included within accruals and deferred income due within one year.

An amount of £223,666 (2013: £Nil) was payable during the year to Sir Robert McAlpine Limited, a group member of one of the company's ultimate shareholders, for a construction variation.

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. £160,956 (2013: £138,451) was payable under this contract during the year, and £13,352 (2013: £10,921) was included within accruals and deferred income due within one year at the year end.

A fee of £25,012 (2013: £24,226) was payable to Aura Holdings (Newcastle) Limited, the company's ultimate parent company for directors' services during the year, and £26,900 (2013: £18,169) was included within accruals and deferred income due within one year at the year end.

On 30 September 2009, a subordinate loan of £10,092,000 was provided by Aura (Newcastle) Holding Company Limited. Repayments of £450,074 (2013: £455,816) have been made during the year. Interest of £1,069,828 (2013: £1,151,336) was payable on this loan during the year, and £532,690 (2013: £560,729) 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 2014

18. 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 financial statements which include the results of this entity. Copies of the group financial statements can be obtained from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. There is no ultimate controlling party.