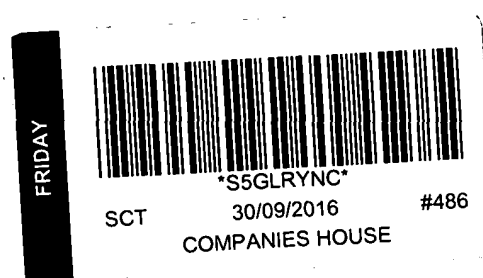


AURA NEWCASTLE LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

31 MARCH 2016



Registered in England and Wales No. 6034396

AURA NEWCASTLE LIMITED

REPORT OF THE DIRECTORS

Directors:	D R V Luscombe	(resigned 30 November 2015)
	R J W Wotherspoon	
	A P Fordyce	(resigned 17 April 2015)
	A Clapp	
	M Surtees	(resigned 29 April 2016)
	J J E King	(appointed 27 November 2015)
	J S Gordon	(appointed 30 November 2015)
	D A Theobald	(appointed 29 April 2016)

Company Secretary: K J Pearson

The directors present their annual report and the audited financial statements for the year ended 31 March 2016. These are the first published financial statements of the company prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The financial statements were previously prepared in accordance with previous United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

1. DIRECTORS

On 17 April 2015 A P Fordyce resigned as a director.

On 27 November 2015 J J E King was appointed as a director.

On 30 November 2015 D R V Luscombe resigned as a director and on the same date J S Gordon was appointed as a director.

On 29 April 2016 M Surtees resigned as a director and on the same date D A Theobald 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 auditor is 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 auditor.

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

3. AUDITOR

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Chartered Accountants, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

On behalf of the Board



K J Pearson
Company Secretary

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

28 September 2016

AURA NEWCASTLE LIMITED

STRATEGIC REPORT

1. RESULTS FOR THE YEAR

The profit for the year on ordinary activities after taxation amounted to £46,563 (2015: £54,312). An interim dividend of £Nil (2015: £15,000) was declared and paid during the year. The profit for the year on ordinary activities after taxation was added to the surplus brought forward of £290,480 to give a surplus of £337,043 to carry forward.

The directors do not recommend payment of a final dividend (2015: £Nil).

2. PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The company currently manages the operation of two Special Purpose Vehicles (SPVs) which carry out Private Finance Initiative projects to design, build, finance and operate eleven schools in Newcastle. The company also holds a 10% investment in each of the SPVs.

In addition to the management of the SPVs the company has also undertaken a number of design and build contracts for schools and other community projects.

The company has over the last few years begun to diversify the services offered to clients with the provision of consultancy and small works services. The company intends to continue to develop the offering to clients focusing on property and property related services.

3. REVIEW OF THE BUSINESS

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

The company's operations are managed under the supervision of its directors. The company utilises many operational and financial key performance indicators (KPI's) including operating and pre-tax profit and cash flow to monitor its business performance against agreed targets. It also regularly monitors and forecasts its cash flows and management of working capital to ensure that it can meet its future obligations.

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

All of the loans entered into by the company are at fixed rates and are therefore not exposed to fluctuations in interest rate movements. The loans made by the company are also at fixed interest rates and therefore are not affected by fluctuations in interest rates.

Inflation risk

All of the long term contracts, both revenue and cost, entered into by the company are either at a fixed price or linked to inflation to remove the risks associated with fluctuations in 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 company is such that cash flows are reasonably predictable.

Credit risk

The company receives a large proportion of its revenue from Newcastle City Council in the form of a milestone payment. Other clients comprise local authorities, universities, academies and schools, and therefore the company is not exposed to significant credit risk.

Approved by the Board and signed on its behalf by:



A Clapp
Director

28 September 2016

AURA NEWCASTLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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;
- 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 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURA NEWCASTLE LIMITED

We have audited the financial statements on pages 5 to 17. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2016 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.

RSM UK Audit LLP

Linda Gray (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Third Floor

Centenary House

69 Wellington Street

Glasgow

G2 6HG

30/9/2016

AURA NEWCASTLE LIMITED**PROFIT AND LOSS ACCOUNT**Year ended 31 March 2016

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
Turnover	2	4,299,761	6,117,680
Cost of sales		(4,133,836)	(5,954,291)
Gross profit		165,925	163,389
Administrative expenses		(87,422)	(93,738)
Operating profit		78,503	69,651
Interest receivable and similar income	3	199,282	221,508
Interest payable and similar charges	4	(219,246)	(226,729)
Profit on ordinary activities before taxation		58,539	64,430
Tax on profit on ordinary activities	5	(11,976)	(10,118)
Profit on ordinary activities after taxation and profit for the financial year		46,563	54,312

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

The notes on pages 9 to 17 form part of these financial statements.

AURA NEWCASTLE LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
FIXED ASSETS			
Investments	7	1,591,581	1,613,975
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	8	736,095	326,255
Cash at bank and in hand		605,617	1,038,648
		<hr/>	<hr/>
		1,341,712	1,364,903
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(985,341)	(1,050,820)
		<hr/>	<hr/>
NET CURRENT ASSETS		356,371	314,083
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,947,952	1,928,058
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(1,550,909)	(1,577,578)
		<hr/>	<hr/>
NET ASSETS		397,043	350,480
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	13	60,000	60,000
Profit and loss account		337,043	290,480
		<hr/>	<hr/>
TOTAL EQUITY		397,043	350,480
		<hr/>	<hr/>

Company Registration No. 6034396

The notes on pages 9 to 17 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on *28 September* 2016.

Signed on behalf of the Board of Directors.



A Clapp

Director

AURA NEWCASTLE LIMITED**STATEMENT OF CHANGES IN EQUITY**
Year ended 31 March 2016

	<u>Share Capital</u> £	<u>Profit and Loss Account</u> £	<u>Total</u> £
At 1 April 2014	60,000	251,168	311,168
Profit for the year	-	54,312	54,312
Dividends	-	(15,000)	(15,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	60,000	290,480	350,480
	<hr/>	<hr/>	<hr/>
Profit for the year	-	46,563	46,563
	<hr/>	<hr/>	<hr/>
At 31 March 2016	60,000	337,043	397,043
	<hr/>	<hr/>	<hr/>

AURA NEWCASTLE LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2016

	<u>2016</u> £	<u>2015</u> £
OPERATING ACTIVITIES		
Profit after tax	46,563	54,312
Adjustments for:		
Interest receivable	(199,282)	(221,508)
Interest payable	219,246	226,729
Taxation	11,976	10,118
	<u>78,503</u>	<u>69,651</u>
(Increase)/decrease in debtors	(410,663)	335,087
(Decrease)/increase in creditors	(76,840)	250,133
	<u>(409,000)</u>	<u>654,871</u>
Cash generated from operations	(409,000)	654,871
Corporation tax paid	(10,118)	(11,829)
	<u>(419,118)</u>	<u>643,042</u>
Net cash flows from operating activities	(419,118)	643,042
INVESTING ACTIVITIES		
Loan repayments received	22,394	155,403
Interest received	200,106	215,899
Dividends received	-	15,000
	<u>222,500</u>	<u>386,302</u>
Net cash flows from investing activities	222,500	386,302
FINANCING ACTIVITIES		
Repayment of loans	(22,394)	(155,403)
Interest paid	(196,308)	(212,509)
Commitment and arrangement fees paid	(17,711)	(24,409)
Dividends paid	-	(15,000)
	<u>(236,413)</u>	<u>(407,321)</u>
Net cash flows from financing activities	(236,413)	(407,321)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(433,031)	622,023
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	1,038,648	416,625
	<u>1,038,648</u>	<u>416,625</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	605,617	1,038,648
	<u>605,617</u>	<u>1,038,648</u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

1. ACCOUNTING POLICIES

Aura Newcastle Limited ("the company") is a private company limited by shares and incorporated and domiciled in England. The address of the company's registered office is Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. The company's principal activities and operations are described in the Strategic Report.

The principal accounting policies applied in the preparation of these financial statements are set out below. They have, unless otherwise stated, been applied consistently throughout the current and preceding years.

Basis of accounting

These financial statements are the first financial statements of the company prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The financial statements of the company for the year ended 31 March 2015 were prepared in accordance with previous United Kingdom Generally Accepted Accounting Practice (UK GAAP). The date of transition to FRS 102 was 1 April 2014.

The FRS 102 recognition, measurement, and accounting policy choices applied in these financial statements have not resulted in any restatement of the comparative figures. Some of the disclosure requirements of FRS 102 are different to those applied under previous UK GAAP.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

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 management, consultancy and construction contracts. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

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

Turnover

Turnover represents fees receivable together with recharges of costs relating to construction projects and other community projects.

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and is included in debtors. To the extent that payments on account exceed relevant turnover, the excess is included as a creditor.

All turnover is generated within the United Kingdom.

Cost of sales

Cost of sales represents the costs relating to the construction projects and other community projects.

Interest receivable and interest payable

All interest receivable and payable is accrued on a time-apportioned basis, by reference to the loan principal outstanding at the effective interest rate.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Tax on the profit or loss for the year represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The principal financial assets and liabilities of the company are as follows:

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Critical accounting estimates and areas of judgement

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

1. ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and areas of judgement (continued)

Certain critical accounting judgements in applying the company's accounting policies are described below:

Debtors

The recoverability of the company's debtors has been assessed by the directors and, where any uncertainty has been identified, sufficient provisions have been posted to reflect uncertainty.

Accruals

Management must use their knowledge of the business to ensure all appropriate costs have been accrued for.

2. TURNOVER

An analysis of the company's turnover by class of business is as follows:

	<u>2016</u> £	<u>2015</u> £
Class of business		
Revenue from professional services	4,268,620	2,575,196
Revenue from construction contracts	31,141	3,542,484
	<u>4,299,761</u>	<u>6,117,680</u>

An analysis of the geographical location of the company's turnover is as follows:

	<u>2016</u> £	<u>2015</u> £
Geographical segment		
United Kingdom	<u>4,299,761</u>	<u>6,117,680</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2016</u> £	<u>2015</u> £
Dividends from group companies	-	15,000
Bank interest	3,810	3,529
Loan interest receivable from group companies	195,472	202,979
	<u>199,282</u>	<u>221,508</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2016</u> £	<u>2015</u> £
Interest on shareholder loans	195,472	202,979
Fees on shareholder loans	23,774	23,750
	<u>219,246</u>	<u>226,729</u>

For further details of interest paid to group companies see note 15.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

On the profit for the year:

	<u>2016</u> £	<u>2015</u> £
Current year tax:		
United Kingdom Corporation Tax	11,976	10,118
	<hr/>	<hr/>
Factors affecting the current tax charge for the year:		
	<u>2016</u> £	<u>2015</u> £
Profit on ordinary activities before taxation	58,539	64,430
	<hr/>	<hr/>
Tax on profit on ordinary activities at the standard Corporation Tax rate of 20% (2015: 21%)	11,708	13,530
Expenses not deductible for tax purposes	268	236
Group income	-	(3,150)
Marginal relief	-	(498)
	<hr/>	<hr/>
Tax charge for the year	11,976	10,118
	<hr/>	<hr/>

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year (2015: None) and therefore no staff costs (2015: £Nil), and no emoluments were paid to the directors in respect of their services to the company (2015: £Nil). £20,500 (2015: £20,000) was payable to the company's shareholders for directors' services.

7. FIXED ASSET INVESTMENTS

The company owns 10% of the total share capital of the following companies, which are incorporated in Great Britain and registered in England and Wales:

10% of the Ordinary shares of Aura (Newcastle) Holding Company Limited
10% of the Ordinary shares of Aura (Newcastle) Holding Company Phase 2 Limited

	<u>Shares</u> £	<u>Loans</u> £	<u>Total</u> £
Cost and net book value:			
At 1 April 2015	10,000	1,603,975	1,613,975
Repayments	-	(22,394)	(22,394)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	10,000	1,581,581	1,591,581
	<hr/>	<hr/>	<hr/>

In the directors' opinion, the value of the investments is not less than the amount at which they are stated in the company's balance sheet.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

8. DEBTORS

	<u>2016</u> £	<u>2015</u> £
Trade debtors	458,753	50,564
Taxation – VAT	19,993	-
Prepayments and accrued income	257,349	275,691
	<u>736,095</u>	<u>326,255</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2016</u> £	<u>2015</u> £
Loans (see note 12)	30,672	26,397
Taxation - VAT	-	95,137
Corporation tax	11,976	10,118
Accruals and deferred income	942,693	919,168
	<u>985,341</u>	<u>1,050,820</u>

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

	<u>2016</u> £	<u>2015</u> £
Loans (see note 12)	1,550,909	1,577,578

11. FINANCIAL INSTRUMENTS

The carrying amount of the company's financial instruments are as follows:

	<u>2016</u> £	<u>2015</u> £
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors	458,753	50,564
Accrued income	237,082	273,756
	<u>695,835</u>	<u>324,320</u>
Equity instruments measured at cost less impairment		
Investments	1,591,581	1,613,975
	<u>2,287,416</u>	<u>1,938,295</u>
Financial liabilities		
Measured at amortised cost		
Accruals	854,078	904,535
Shareholder loans	1,581,581	1,603,975
	<u>2,435,659</u>	<u>2,508,510</u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

12. LOANS

	£
At 1 April 2015	1,603,975
Repayments	(22,394)
At 31 March 2016	<u>1,581,581</u>

Made up as follows:

	<u>2016</u> £	<u>2015</u> £
Included in Creditors: Amounts falling due within one year	30,672	26,397
Included in Creditors: Amounts falling due after more than one year	1,550,909	1,577,578
	<u>1,581,581</u>	<u>1,603,975</u>

During September 2009 1,009,200 £1 unsecured 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 2016 205,573 notes had been repaid at par.

During August 2012 921,687 £1 unsecured loan notes were issued at par. Interest on the loan notes is charged at 12.26%. The loan notes are repayable in semi-annual instalments from 31 March 2013 to 31 March 2037 and by 31 March 2016 143,733 notes had been repaid at par.

The loan notes are held by the company's shareholders as follows:

	<u>2016</u> £	<u>2015</u> £
Aura Holdings (Newcastle) Limited	1,265,265	1,283,181
Dalmore Capital (Para 1) Limited	158,158	160,397
The Council of the City of Newcastle upon Tyne	158,158	160,397
	<u>1,581,581</u>	<u>1,603,975</u>

A loan facility of £500,000 provided by the company's shareholders is also available.

The loan notes are repayable as follows:

	<u>2016</u> £	<u>2015</u> £
In less than 1 year	30,672	26,397
In 1 - 2 years	37,789	25,754
In 2 - 5 years	90,979	139,591
Over 5 years	1,422,141	1,412,233
	<u>1,581,581</u>	<u>1,603,975</u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

13. SHARE CAPITAL

	<u>2016</u> £	<u>2015</u> £
Allotted, called up and fully paid:		
6,000 Ordinary 'A' shares of £1 each	6,000	6,000
6,000 Ordinary 'B' shares of £1 each	6,000	6,000
48,000 Ordinary 'C' shares of £1 each	48,000	48,000
	<u>60,000</u>	<u>60,000</u>

The Ordinary 'A', 'B' and 'C' shares all have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The 'A' shares, 'B' shares and 'C' shares rank pari passu.

14. RESERVES

Reserves of the company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners.

15. RELATED PARTY TRANSACTIONS

The company has entered into the following material transactions on normal commercial terms with related parties:

The company has entered into a number of contracts with Sir Robert McAlpine Limited, a fellow subsidiary of one of the company's ultimate shareholders, for the construction of schools and other community buildings in Newcastle. An amount of £2,072,422 (2015: £4,065,376) was payable under these contracts during the year and £257,000 (2015: £506,269) 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) Project Company Limited, the subsidiary of Aura (Newcastle) Holding Company Limited, a company in which the company has a 10% investment, to provide administrative, company secretarial and contract management services. £155,424 (2015: £151,606) was receivable under this contract during the year, and £11,752 (2015: £16,729) was included within prepayments and accrued income at the year end.

On 26 November 2009 the company entered into a contract with Aura (Newcastle) Project Company Phase 2 Limited, the subsidiary of Aura (Newcastle) Holding Company Phase 2 Limited, a company in which the company has a 10% investment, to provide administrative, company secretarial and contract management services. £87,414 (2015: £86,289) was receivable under this contract during the year, and £7,264 (2015: £7,191) was included within prepayments and accrued income at the year end.

The cost of the audit has been borne by Aura (Newcastle) Project Company Limited and Aura (Newcastle) Project Company Phase 2 Limited.

Amounts totalling £302,097 (2015: £355,648) were payable during the year to Sir Robert McAlpine Capital Ventures Limited, one of the company's ultimate shareholders, and Sir Robert McAlpine Limited for the provision of staff and other services. £39,668 (2015: £24,062) was unpaid at the year end and included within accruals and deferred income due within one year.

Parsons Brinckerhoff Limited was until 30 October 2014 a group member of one of the company's ultimate shareholders. Amounts totalling £231,463 were payable to this date for the provision of staff and design services.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

15. RELATED PARTY TRANSACTIONS (CONTINUED)

Fees of £20,000 (2015: £20,000) were payable to the company's shareholders for directors' and management services during the year, and £20,000 (2015: £20,000) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Fees payable 2016 £	Fees payable 2015 £	Fees accrued 2016 £	Fees accrued 2015 £
Aura Holdings (Newcastle) Limited	12,300	12,000	16,300	12,000
Dalmore Capital (Para 1) Limited	4,100	4,000	4,100	4,000
The Council of the City of Newcastle upon Tyne	4,100	4,000	4,100	4,000
	<u>20,500</u>	<u>20,000</u>	<u>24,500</u>	<u>20,000</u>

Included in the investments disclosed in note 7 are loan notes in Aura (Newcastle) Holding Company Limited. During the year £Nil (2015: £60,699) was repaid in respect of this loan. Interest of £99,601 (2015: £101,406) was receivable on this loan, of which £49,800 (2015: £49,528) was unpaid at the year end and included in accrued income.

Included in the loans disclosed in note 12 are loan notes upon which interest is charged at 12.36%. During the year £Nil (2015: £60,699) was repaid in respect of this loan. Interest of £99,601 (2015: £101,406) was payable on this loan, of which £49,800 (2015: £49,528) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable 2016 £	Interest payable 2015 £	Interest accrued 2016 £	Interest accrued 2015 £
Aura Holdings (Newcastle) Limited	79,681	81,126	39,840	39,622
Dalmore Capital (Para 1) Limited	9,960	10,140	4,980	4,953
The Council of the City of Newcastle upon Tyne	9,960	10,140	4,980	4,953
	<u>99,601</u>	<u>101,406</u>	<u>49,800</u>	<u>49,528</u>

Included in the investments disclosed in note 7 are loan notes in Aura (Newcastle) Holding Company Phase 2 Limited. During the year £22,394 (2015: £94,704) was repaid in respect of this loan. Interest of £95,871 (2015: £101,573) was receivable on this loan, of which £47,819 (2015: £48,927) was unpaid at the year end and included in accrued income.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

15. RELATED PARTY TRANSACTIONS (CONTINUED)

Included in the loans disclosed in note 12 are loan notes upon which interest is charged at 12.26%. During the year £22,394 (2015: £94,704) was repaid in respect of this loan. Interest of £95,871 (2015: £101,573) was payable on this loan, of which £47,819 (2015: £48,927) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable <u>2016</u> £	Interest payable <u>2015</u> £	Interest accrued <u>2016</u> £	Interest accrued <u>2015</u> £
Aura Holdings (Newcastle) Limited	76,697	81,259	38,255	39,142
Dalmore Capital (Para 1) Limited	9,587	10,157	4,782	4,892
The Council of the City of Newcastle upon Tyne	9,587	10,157	4,782	4,893
	<u>95,871</u>	<u>101,573</u>	<u>47,819</u>	<u>48,927</u>

A working capital loan facility of £500,000 was provided by the company's shareholders during the current and prior years. Arrangement fees of £15,000 (2015: £15,000) were payable in respect of the facility during the year, and £19,500 (2015: £15,000) was unpaid at the year end and included in accruals and deferred income due within one year. Commitment fees of £8,774 (2015: £8,750) were also payable in respect of the facility during the year, and £4,162 (2015: £2,599) was unpaid at the year end and included in accruals and deferred income due within one year.

16. ULTIMATE PARENT COMPANY

The immediate and 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.