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AURA NEWCASTLE LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

31 MARCH 2019



Registered in England and Wales No. 6034396

AURA NEWCASTLE LIMITED

REPORT OF THE DIRECTORS

Directors: R J W Wotherspoon
J J E King (resigned 13 February 2019)
J S Gordon
D A Theobald
P K Johnstone
R D Holt (appointed 13 February 2019)

Company Secretary: UNW Company Secretary Limited

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

1. DIRECTORS

On 13 February 2019 J J E King resigned as a director and on the same date R D Holt was appointed as a director.

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

2. DIRECTORS' LIABILITIES

Third party indemnity provisions made by the company's ultimate shareholders were in force during the year for the benefit of the directors of the company.

3. 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.

4. AUDITOR

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

On behalf of the Board



J S Gordon
Director

Registered Office:
UNW LLP Citygate
St James Boulevard
Newcastle upon Tyne
NE1 4JE

24 SEP 2019

AURA NEWCASTLE LIMITED

STRATEGIC REPORT

1. RESULTS FOR THE YEAR

The profit for the year after taxation amounted to £254,837 (2018: £7,453). A dividend of £38,000 (2017: £Nil) was declared and paid during the year. The profit for the year after taxation was added to the surplus brought forward of £417,138 to give a surplus of £633,975 to carry forward.

The directors do not recommend payment of a final dividend (2018: £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 provides 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 utilises many operational and financial key performance indicators (KPIs) including turnover and pre-tax profit to monitor its business performance against agreed targets. As shown in the company's profit and loss account on page 7 the company recognised turnover for the year of £2,958,874 (2018: £2,545,758), and made a profit before tax for the year of £306,222 (2018: £9,553).

The company's operations are managed under the supervision of its directors. Other KPIs include the monitoring of cash flow and the management of working capital to ensure that it can meet its future obligations. The company prepares and regularly updates cash flow forecasts for the forthcoming 24 months. The directors monitor the company's actual performance against the anticipated performance. At 31 March 2019 the company's performance against this measure was satisfactory.

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.

AURA NEWCASTLE LIMITED

STRATEGIC REPORT (CONTINUED)

4. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Credit risk

The company receives a large proportion of its revenue from Newcastle City Council. 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 handwritten signature in black ink, appearing to be 'J S Gordon', written over a horizontal line.

J S Gordon
Director

24 SEP 2019

AURA NEWCASTLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

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

Opinion

We have audited the financial statements of Aura Newcastle Limited (the 'company') for the year ended 31 March 2019 which comprise profit and loss account, balance sheet, statement of changes in equity, cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

LINDA GRAY (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor

Centenary House

69 Wellington Street

Glasgow

G2 6HG

26 September 2019

AURA NEWCASTLE LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 March 2019

	<u>Notes</u>	<u>2019</u> £	<u>2018</u> £
Turnover	2	2,958,874	2,545,758
Cost of sales		(2,556,951)	(2,394,830)
Gross profit		401,923	150,928
Administrative expenses		(116,676)	(120,643)
Operating profit		285,247	30,285
Interest receivable and similar income	3	227,257	191,505
Interest payable and similar charges	4	(206,282)	(212,237)
Profit before taxation		306,222	9,553
Taxation	5	(51,385)	(2,100)
Profit after taxation and profit for the financial year		254,837	7,453

The notes on pages 11 to 20 form part of these financial statements.

AURA NEWCASTLE LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

	<u>Notes</u>	<u>2019</u> £	<u>2018</u> £
FIXED ASSETS			
Investments	7	1,474,354	1,523,211
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	8	654,211	438,171
Cash at bank and in hand		1,187,264	859,185
		<hr/>	<hr/>
		1,841,475	1,297,356
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(1,225,624)	(890,764)
NET CURRENT ASSETS		<hr/>	<hr/>
		615,851	406,592
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,090,205	1,929,803
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(1,396,230)	(1,452,665)
NET ASSETS		<hr/>	<hr/>
		693,975	477,138
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	13	60,000	60,000
Profit and loss account		633,975	417,138
		<hr/>	<hr/>
TOTAL EQUITY		693,975	477,138
		<hr/>	<hr/>

Company Registration No. 6034396

The notes on pages 11 to 20 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 24 Sep 2019.

Signed on behalf of the Board of Directors.



J S Gordon

Director

AURA NEWCASTLE LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 March 2019

	<u>Share Capital</u> £	<u>Profit and Loss Account</u> £	<u>Total</u> £
At 1 April 2017	60,000	409,685	469,685
Profit for the year	-	7,453	7,453
	<hr/>	<hr/>	<hr/>
At 31 March 2018	60,000	417,138	477,138
Profit for the year	-	254,837	254,837
Dividends	-	(38,000)	(38,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	60,000	633,975	693,975
	<hr/>	<hr/>	<hr/>

AURA NEWCASTLE LIMITED

CASH FLOW STATEMENT

For the year ended 31 March 2019

	<u>2019</u> £	<u>2018</u> £
OPERATING ACTIVITIES		
Profit after tax	254,837	7,453
Adjustments for:		
Interest receivable and similar income	(227,257)	(191,505)
Interest payable and similar charges	206,282	212,237
Taxation	51,385	2,100
	<u>285,247</u>	<u>30,285</u>
(Increase)/decrease in debtors	(222,672)	99,358
Increase in creditors	267,526	13,391
	<u>330,101</u>	<u>143,034</u>
Cash generated from operations	330,101	143,034
Corporation tax paid	(6,100)	(24,302)
Net cash flows from operating activities	<u>324,001</u>	<u>118,732</u>
INVESTING ACTIVITIES		
Loan repayments received	48,857	43,119
Interest received	229,990	193,980
Net cash flows from investing activities	<u>278,847</u>	<u>237,099</u>
FINANCING ACTIVITIES		
Repayment of loans	(48,857)	(43,119)
Interest paid	(185,527)	(191,126)
Commitment and arrangement fees paid	(2,385)	(23,750)
Equity dividends paid	(38,000)	-
Net cash flows from financing activities	<u>(274,769)</u>	<u>(257,995)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>328,079</u>	<u>97,836</u>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	859,185	761,349
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>1,187,264</u></u>	<u><u>859,185</u></u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

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 UNW LLP Citygate, St James Boulevard, Newcastle upon Tyne, NE1 4JE. 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

The financial statements have been prepared in accordance with applicable United Kingdom law and Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

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 small works 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 educational 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 educational 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

For the year ended 31 March 2019

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
For the year ended 31 March 2019

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:

Investments

The value of investments is assessed by the directors and provisions are made when the value is lower than cost.

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>2019</u> £	<u>2018</u> £
Class of business		
Revenue from professional services	2,958,874	2,545,758
	<u> </u>	<u> </u>

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

	<u>2019</u> £	<u>2018</u> £
Geographical segment		
United Kingdom	2,958,874	2,545,758
	<u> </u>	<u> </u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2019</u> £	<u>2018</u> £
Bank interest	6,725	3,057
Loan interest receivable from group companies	182,532	188,448
Dividends receivable from group companies	38,000	-
	<u>227,257</u>	<u>191,505</u>
	<u> </u>	<u> </u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2019</u> £	<u>2018</u> £
Interest on shareholder loans	182,532	188,448
Fees on shareholder loans	23,750	23,750
Other interest	-	39
	<u>206,282</u>	<u>212,237</u>

For further details of interest paid to group companies see note 16.

5. TAXATION

On the profit for the year:

	<u>2019</u> £	<u>2018</u> £
Current year tax: United Kingdom Corporation Tax	51,385	2,100

Factors affecting the current tax charge for the year:

	<u>2019</u> £	<u>2018</u> £
Profit before taxation	306,222	9,553
Tax on profit at the standard Corporation Tax rate of 19% (2018: 19%)	58,182	1,815
Expenses not deductible for tax purposes	423	285
Group income	(7,220)	-
Tax charge for the year	<u>51,385</u>	<u>2,100</u>

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year (2018: None) and therefore no staff costs (2018: £Nil), and no emoluments were paid to the directors in respect of their services to the company (2018: £Nil). £22,500 (2018: £22,000) was payable to the company's shareholders for directors' services. Key management remuneration is borne by Sir Robert McAlpine Limited, a related entity.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

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 2018	10,000	1,513,211	1,523,211
Repayments	-	(48,857)	(48,857)
At 31 March 2019	<u>10,000</u>	<u>1,464,354</u>	<u>1,474,354</u>

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.

8. DEBTORS

	<u>2019</u> £	<u>2018</u> £
Trade debtors	284,767	104,151
Corporation tax	-	3,900
Prepayments and accrued income	369,444	330,120
	<u>654,211</u>	<u>438,171</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u> £	<u>2018</u> £
Loans (see note 12)	68,124	60,546
Taxation – VAT	29,252	8,889
Corporation tax	41,385	-
Accruals and deferred income	1,086,863	821,329
	<u>1,225,624</u>	<u>890,764</u>

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

	<u>2019</u> £	<u>2018</u> £
Loans (see note 12)	<u>1,396,230</u>	<u>1,452,665</u>

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

11. FINANCIAL INSTRUMENTS

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

	<u>2019</u> £	<u>2018</u> £
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors	284,767	104,151
Accrued income	340,394	259,192
	<u>625,161</u>	<u>363,343</u>
Equity instruments measured at cost less impairment		
Investments	1,474,354	1,523,211
	<u>2,099,515</u>	<u>1,886,554</u>
Financial liabilities		
Measured at amortised cost		
Accruals	1,049,896	740,746
Shareholder loans	1,464,354	1,513,211
	<u>2,514,250</u>	<u>2,253,957</u>

12. LOANS

	£
At 1 April 2018	1,513,211
Repayments	(48,857)
At 31 March 2019	<u>1,464,354</u>

Made up as follows:

	<u>2019</u> £	<u>2018</u> £
Included in Creditors: Amounts falling due within one year	68,124	60,546
Included in Creditors: Amounts falling due after more than one year	1,396,230	1,452,665
	<u>1,464,354</u>	<u>1,513,211</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 2019 230,573 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 2019 235,960 notes had been repaid at par.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

12. LOANS (CONTINUED)

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

	<u>2019</u> £	<u>2018</u> £
Aura Holdings (Newcastle) Limited	1,171,484	1,210,569
Dalmore Capital (Para 1) Limited	146,435	151,321
The Council of the City of Newcastle upon Tyne	146,435	151,321
	<u>1,464,354</u>	<u>1,513,211</u>

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

The loan notes are repayable as follows:

	<u>2019</u> £	<u>2018</u> £
In less than 1 year	68,124	60,546
In 1 - 2 years	18,456	22,636
In 2 - 5 years	138,227	101,552
Over 5 years	1,239,547	1,328,477
	<u>1,464,354</u>	<u>1,513,211</u>

13. SHARE CAPITAL

	<u>2019</u> £	<u>2018</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.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

15. DIVIDENDS

	<u>2019</u> £'000	<u>2018</u> £'000
Interim dividend of £0.63 (2018: £Nil) per Ordinary 'A', 'B' & 'C' share	38	-

The directors are not proposing a final dividend (2018: £Nil).

16. 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 £Nil (2018: £Nil) was payable under these contracts during the year and £9,519 (2018: £9,519) 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. £167,479 (2018: £163,521) was receivable under this contract during the year, and £37,620 (2018: £22,267) 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. £97,932 (2018: £102,261) was receivable under this contract during the year, and £21,037 (2018: £17,622) was included within prepayments and accrued income at the year end.

Amounts totalling £93,039 (2018: £30,560) were receivable during the year from Merit Holdings Limited, a company controlled by a close family member of the Chief Executive Officer, in return for consultancy services provided. £3,120 (2018: £1,040) was outstanding at the year end and included within trade debtors.

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

Amounts totalling £341,770 (2018: £377,490) 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. £30,933 (2018: £30,037) was unpaid at the year end and included within accruals and deferred income due within one year.

Robertson Group Limited, Robertson CE Limited, Robertson Strategic Asset Management Limited and Robertson Facilities Management Limited are group members of one of the company's ultimate shareholders. Amounts totalling £259,583 (2018: £40,154) were payable during the year for the provision of staff, offices, construction and facilities management services. £180,563 (2018: £56,485) was unpaid at the year end and included within accruals and deferred income due within one year.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

16. RELATED PARTY TRANSACTIONS (CONTINUED)

Fees of £22,500 (2018: £22,000) were payable to the company's shareholders for directors' and management services during the year, and £31,150 (2018: £30,500) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Fees payable 2019 £	Fees payable 2018 £	Fees accrued 2019 £	Fees accrued 2018 £
Aura Holdings (Newcastle) Limited	13,500	13,200	22,150	17,450
Dalmore Capital (Para 1) Limited	4,500	4,400	4,500	8,650
The Council of the City of Newcastle upon Tyne	4,500	4,400	4,500	4,400
	<u>22,500</u>	<u>22,000</u>	<u>31,150</u>	<u>30,500</u>

Included in the investments disclosed in note 7 are loan notes in Aura (Newcastle) Holding Company Limited. During the year £16,000 (2018: £6,000) was repaid in respect of this loan. Interest of £97,044 (2018: £98,402) was receivable on this loan, of which £47,987 (2018: £48,973) 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 £16,000 (2018: £6,000) was repaid in respect of this loan. Interest of £97,044 (2018: £98,402) was payable on this loan, of which £47,987 (2018: £48,973) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable 2019 £	Interest payable 2018 £	Interest accrued 2019 £	Interest accrued 2018 £
Aura Holdings (Newcastle) Limited	77,635	78,722	38,390	39,179
Dalmore Capital (Para 1) Limited	9,704	9,840	4,798	4,897
The Council of the City of Newcastle upon Tyne	9,705	9,840	4,799	4,897
	<u>97,044</u>	<u>98,402</u>	<u>47,987</u>	<u>48,973</u>

Included in the investments disclosed in note 7 are loan notes in Aura (Newcastle) Holding Company Phase 2 Limited. During the year £32,857 (2018: £37,119) was repaid in respect of this loan. Interest of £85,488 (2018: £90,046) was receivable on this loan, of which £41,920 (2018: £43,929) was unpaid at the year end and included in accrued income.

AURA NEWCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

16. 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 £32,857 (2018: £37,119) was repaid in respect of this loan. Interest of £85,488 (2018: £90,046) was payable on this loan, of which £41,920 (2018: £43,929) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable <u>2019</u> £	Interest payable <u>2018</u> £	Interest accrued <u>2019</u> £	Interest accrued <u>2018</u> £
Aura Holdings (Newcastle) Limited	68,390	72,037	33,536	35,143
Dalmore Capital (Para 1) Limited	8,549	9,004	4,192	4,393
The Council of the City of Newcastle upon Tyne	8,549	9,005	4,192	4,393
	<u>85,488</u>	<u>90,046</u>	<u>41,920</u>	<u>43,929</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 (2018: £15,000) were payable in respect of the facility during the year, and £34,500 (2018: £19,500) was unpaid at the year end and included in accruals and deferred income due within one year. Commitment fees of £8,750 (2018: £8,750) were also payable in respect of the facility during the year, and £10,500 (2018: £4,135) was unpaid at the year end and included in accruals and deferred income due within one year.

17. 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 Canon Place, 78 Cannon Street, London, EC4N 6AF. There is no ultimate controlling party.