

Registered number: 06034396

Aura Newcastle Limited
Annual Report and Financial Statements
31 March 2020

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Aura Newcastle Limited

Company Information

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

Registered number 06034396

Registered office
UNW LLP
Citygate
St James Boulevard
Newcastle upon Tyne
Tyne and Wear
NE1 4JE

Trading Address
Level 4 West Tower
Baltic Place
Gateshead
Tyne and Wear
NE8 3AE

Independent auditors
RSM UK Audit LLP
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Aura Newcastle Limited

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Aura Newcastle Limited

Strategic Report For the Year Ended 31 March 2020

Business review

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 9 the company recognised turnover for the year of £3,499,025 (2019: £2,958,874), and made a profit before tax for the year of £129,400 (2019: £306,222).

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 2020 the company's performance against this measure was satisfactory.

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. Other clients comprise local authorities, universities, academies and schools, and therefore the company is not exposed to significant credit risk.

Coronavirus risk

Further to the recent global outbreak of the Coronavirus disease (COVID-19), the directors of the company continue to assess the potential risk to the operation of the business on a daily basis. At the time of the signing of these financial statements, there has been no unmanageable impact on either the main contracts or customers within the company.

Whilst there have been certain short term restrictions on construction sites activities, the sector has responded with adjustments to working practices to ensure adherence to social distancing and other governmental requirements can be met. Furthermore the supply chain has also now adjusted to these requirements and the company anticipates minimal disruption.

Taking into account the anticipated future activity of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Aura Newcastle Limited

Strategic Report (continued) For the Year Ended 31 March 2020

This report was approved by the board on 29 September 2020 and signed on its behalf.

DocuSigned by:

Peter Johnstone

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P K Johnstone
Director

Aura Newcastle Limited

Directors' Report For the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Principal activity

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.

Results and dividends

The profit for the year, after taxation, amounted to £106,995 (2019 - £254,837).

A dividend of Nil (2019: £38,000) was declared and paid during the year. The profit for the year after taxation was added to the surplus brought forward of £633,975 to give a surplus of £740,970 to carry forward.

The directors do not recommend payment of a final dividend (2019: £Nil).

Directors

The directors who served during the year were:

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)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

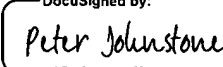
Auditors

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Aura Newcastle Limited

Directors' Report (continued) For the Year Ended 31 March 2020

This report was approved by the board on 29 September 2020 and signed on its behalf.

DocuSigned by:

.....A0DA91B511F7AC8.....
P K Johnstone
Director

UNW LLP
Citygate
St James Boulevard
Newcastle upon Tyne
Tyne and Wear
NE1 4JE

Aura Newcastle Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2020

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements 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 to 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 Auditors' 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 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 2020 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

Independent Auditors' Report to the Members of Aura Newcastle Limited (continued)

We have nothing to report in this regard.

Opinion 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.

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 or 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 on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Independent Auditors' Report to the Members of Aura Newcastle Limited (continued)

Use of our report

This report is made solely to the company's members 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 Auditors' 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 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

Chartered Accountants

Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

30 September 2020

Aura Newcastle Limited

Statement of Comprehensive Income For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	3,499,025	2,958,874
Cost of sales		(3,224,815)	(2,556,951)
Gross profit		274,210	401,923
Administrative expenses		(130,936)	(116,676)
Operating profit		143,274	285,247
Income from fixed assets investments		-	38,000
Interest receivable and similar income	6	182,968	189,257
Interest payable and expenses	7	(196,842)	(206,282)
Profit before tax		129,400	306,222
Tax on profit	8	(22,405)	(51,385)
Profit for the financial year		106,995	254,837

There was no other comprehensive income for 2020 (2019:£NIL).


The notes on pages 13 to 25 form part of these financial statements.

Aura Newcastle Limited

Balance Sheet As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	10	1,414,926	1,474,354
		<u>1,414,926</u>	<u>1,474,354</u>
Current assets			
Debtors: amounts falling due within one year	11	1,463,228	654,211
Cash at bank and in hand		1,289,104	1,187,264
		<u>2,752,332</u>	<u>1,841,475</u>
Creditors: amounts falling due within one year	12	(1,979,818)	(1,225,624)
Net current assets		<u>772,514</u>	<u>615,851</u>
Total assets less current liabilities		<u>2,187,440</u>	<u>2,090,205</u>
Creditors: amounts falling due after more than one year	13	(1,386,470)	(1,396,230)
Net assets		<u><u>800,970</u></u>	<u><u>693,975</u></u>
Capital and reserves			
Called up share capital	16	60,000	60,000
Profit and loss account	17	740,970	633,975
		<u><u>800,970</u></u>	<u><u>693,975</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2020.

DocuSigned by:

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P K Johnstone
Director

Registered number: 06034396

The notes on pages 13 to 25 form part of these financial statements.

Aura Newcastle Limited

Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	60,000	417,138	477,138
Profit for the year	-	254,837	254,837
Dividends: Equity capital	-	(38,000)	(38,000)
At 1 April 2019	60,000	633,975	693,975
Comprehensive income for the year			
Profit for the year	-	106,995	106,995
At 31 March 2020	60,000	740,970	800,970

The notes on pages 13 to 25 form part of these financial statements.

Aura Newcastle Limited

Statement of Cash Flows For the Year Ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	106,995	254,837
Adjustments for:		
Interest paid	196,842	206,282
Interest received	(182,968)	(227,257)
Taxation charge	22,405	51,385
(Increase) in debtors	(772,935)	(222,672)
(Increase)/decrease in amounts owed by groups	(25,341)	-
Increase in creditors	845,247	267,525
Corporation tax (paid)	(74,531)	(6,099)
Net cash generated from operating activities	115,714	324,001
Cash flows from investing activities		
Group undertakings loans repaid	59,428	48,857
Interest received	182,968	191,990
Dividends received	-	38,000
Net cash from investing activities	242,396	278,847
Cash flows from financing activities		
Repayment of other loans	(59,428)	(48,857)
Dividends paid	-	(38,000)
Interest paid	(196,842)	(187,912)
Net cash used in financing activities	(256,270)	(274,769)
Net increase in cash and cash equivalents	101,840	328,079
Cash and cash equivalents at beginning of year	1,187,264	859,185
Cash and cash equivalents at the end of year	1,289,104	1,187,264
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,289,104	1,187,264
	1,289,104	1,187,264

The notes on pages 13 to 25 form part of these financial statements.

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

1. General information

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 and Directors 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

In light of recent global events which persist at the date of approval of these financial statements, the directors have reviewed the cashflow forecasts for the next 12 months contained within the 5 year plan and 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. In addition, whilst the UK government have announced a series of funding measures to assist businesses, the directors believe they have adequate cash within the company and group and will not need to access these funds.

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

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.3 Revenue

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.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.7 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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.

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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Revenue from professional services	3,499,025	2,958,874
	<u>3,499,025</u>	<u>2,958,874</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	3,499,025	2,958,874
	<u>3,499,025</u>	<u>2,958,874</u>

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

5. Income from investments

	2020 £	2019 £
Dividends received from unlisted investments	-	38,000
	<u>-</u>	<u>38,000</u>

6. Interest receivable and similar income

	2020 £	2019 £
Bank interest receivable	8,150	6,725
Loan interest receivable from group companies	174,818	182,532
	<u>182,968</u>	<u>189,257</u>

7. Interest payable and similar expenses

	2020 £	2019 £
Interest on shareholder loans	174,818	182,532
Fees on shareholder loans	22,024	23,750
	<u>196,842</u>	<u>206,282</u>

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	22,405	51,385
	<u>22,405</u>	<u>51,385</u>
Total current tax	<u>22,405</u>	<u>51,385</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>22,405</u>	<u>51,385</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	129,400	306,222
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	24,586	58,182
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment.	-	423
Other timing differences leading to an increase (decrease) in taxation	(2,181)	(7,220)
Total tax charge for the year	<u>22,405</u>	<u>51,385</u>

9. Information regarding directors and employees

The company had no employees during the year (2019: None) and therefore no staff costs (2019: £Nil), and no emoluments were paid to the directors in respect of their services to the company (2019: £Nil). £22,500 (2019: £22,500) 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 2020

10. 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

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 April 2019	10,000	1,464,354	1,474,354
Disposals	-	(59,428)	(59,428)
At 31 March 2020	10,000	1,404,926	1,414,926
Net book value			
At 31 March 2020	10,000	1,404,926	1,414,926
At 31 March 2019	10,000	1,464,354	1,474,354

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.

11. Debtors

	2020 £	2019 £
Trade debtors	1,185,633	284,767
Amounts owed by group undertakings	25,341	-
Other debtors	10,741	-
Prepayments and accrued income	241,513	369,444
	1,463,228	654,211

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	18,456	68,124
Trade creditors	444,648	-
Corporation tax	-	41,385
Other taxation and social security	180,129	29,252
Other creditors	137	-
Accruals and deferred income	1,336,448	1,086,863
	<u>1,979,818</u>	<u>1,225,624</u>

13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	1,386,470	1,396,230
	<u>1,386,470</u>	<u>1,396,230</u>

14. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,289,104</u>	<u>1,187,264</u>

Financial assets measured at fair value through profit or loss comprise bank and cash

Aura Newcastle Limited

Notes to the financial statements For the Year Ended 31 March 2020

15. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Other loans	18,456	68,124
	<u>18,456</u>	<u>68,124</u>
Amounts falling due after more than 5 years		
Other loans	1,386,470	1,396,230
	<u>1,386,470</u>	<u>1,396,230</u>
	<u>1,404,926</u>	<u>1,464,354</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 installments from 31 March 2010 to 31 March 2035 and by 31 March 2020 256,573 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 installments from 31 March 2013 to 31 March 2037 and by 31 March 2020 269,388 notes had been repaid at par.

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

	2020 £	2019 £
Aura Holdings (Newcastle) Limited	1,123,940	1,171,484
Dalmore Capital (Para 1) Limited	140,493	146,435
The Council of the City of Newcastle upon Tyne	140,493	146,435
	<u>1,404,926</u>	<u>1,464,354</u>

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

The loan notes are repayable as follows:

	2020 £	2019 £
In less than 1 year	18,456	68,124
In 1 - 2 years	28,640	18,456
In 2 - 5 years	192,865	138,227
Over 5 years	1,164,965	1,239,547
	<u>1,404,926</u>	<u>1,464,354</u>

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
6,000 (2019 - 6,000) Ordinary A Shares shares of £1.00 each	6,000	6,000
6,000 (2019 - 6,000) Ordinary B Shares shares of £1.00 each	6,000	6,000
48,000 (2019 - 48,000) Ordinary C Shares shares of £1.00 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.

17. Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

18. Dividends

	2020 £	2019 £
Dividends	-	38,000
	<u>-</u>	<u>38,000</u>

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Notes to the financial statements For the Year Ended 31 March 2020

19. 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 £143,872 (2019: £Nil) was payable under these contracts during the year and £16,718 (2019: £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. £159,751 (2019: £167,479) was receivable under this contract during the year, and £15,630 (2019: £37,620) was included within debtors, 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. £97,401 (2019: £97,932) was receivable under this contract during the year, and £9,711 (2019: £21,037) was included within, debtors prepayments and accrued income at the year end.

Amounts totaling £35,250 (2019: £93,039) 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 and marketing services provided. £23,064 (2019: £3,120) 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 totaling £312,264 (2019: £341,770) 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. £50,977 (2019: £30,933) 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 totaling £794,833 (2019: £259,583) were payable during the year for the provision of staff, offices, construction and facilities management services. £230,657 (2019: £180,563) 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 2020

Fees of £22,500 (2019: £22,500) were payable to the company's shareholders for directors' and management services during the year, and £31,500 (2019: £31,150) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Fees payable 2020 £	Fees accrued 2020 £	Fees payable 2019 £	Fees accrued 2019 £
Aura Holdings (Newcastle) Limited	13,500	18,000	13,500	22,150
Dalmore Capital (Para 1) Limited	4,500	9,000	4,500	4,500
The Council of the City of Newcastle upon Tyne	4,500	4,500	4,500	4,500
	22,500	31,500	22,500	31,150

Included in the investments disclosed in note 10 are loan notes in Aura (Newcastle) Holding Company Limited. During the year £26,000 (2019: £16,000) was repaid in respect of this loan. Interest of £93,527 (2019: £97,044) was receivable on this loan, of which £46,702 (2019: £47,987) was unpaid at the year end and included in accrued income.

Included in the loans disclosed in note 15 are loan notes upon which interest is charged at 12.36%. During the year £26,000 (2019: £16,000) was repaid in respect of this loan. Interest of £93,527 (2019: £97,044) was payable on this loan, of which £46,702 (2019: £47,987) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable 2020 £	Interest accrued 2020 £	Interest payable 2019 £	Interest accrued 2019 £
Aura Holdings (Newcastle) Limited	74,821	37,362	77,635	38,390
Dalmore Capital (Para 1) Limited	9,353	4,670	9,704	4,798
The Council of the City of Newcastle upon Tyne	9,353	4,670	9,705	4,799
	93,527	46,702	97,044	47,987

Included in the investments disclosed in note 10 are loan notes in Aura (Newcastle) Holding Company Phase 2 Limited. During the year £33,428 (2019: £32,857) was repaid in respect of this loan. Interest of £81,291 (2019: £85,488) was receivable on this loan, of which £40,482 (2019: £41,920) 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 2020

Included in the loans disclosed in note 15 are loan notes upon which interest is charged at 12.26%. During the year £33,428 (2019: £32,857) was repaid in respect of this loan. Interest of £81,291 (2019: £85,488) was payable on this loan, of which £40,482 (2019: £41,920) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

	Interest payable 2020 £	Interest accrued 2020 £	Interest payable 2019 £	Interest accrued 2019 £
Aura Holdings (Newcastle) Limited	65,033	32,386	68,390	33,536
Dalmore Capital (Para 1) Limited	8,129	4,048	8,549	4,192
The Council of the City of Newcastle upon Tyne	8,129	4,048	8,549	4,192
	81,291	40,482	85,488	41,920

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 (2019: £15,000) were payable in respect of the facility during the year, and £45,000 (2019: £34,500) was unpaid at the year end and included in accruals and deferred income due within one year. Commitment fees of £7,024 (2019: £8,750) were also payable in respect of the facility during the year, and £14,900 (2019: £10,500) was unpaid at the year end and included in accruals and deferred income due within one year.

20. 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.