

Registered number: 06034396

# **Aura Newcastle Limited**

## **Annual Report and Financial Statements**

**31 March 2022**



# Aura Newcastle Limited

## Company Information

---

|                             |  |
|-----------------------------|--|
| <b>Directors</b>            | R J W Wotherspoon<br>R D Holt<br>J S Gordon<br>D A Theobald<br>P K Johnstone   |
| <b>Company secretary</b>    | UNW Company Secretary Limited  |
| <b>Registered number</b>    | 06034396   |
| <b>Registered office</b>    | UNW LLP<br>Citygate<br>St James Boulevard<br>Newcastle upon Tyne<br>NE1 4JE  |
| <b>Trading Address</b>      | Level 4 West Tower<br>Baltic Place<br>Gateshead<br>NE8 3AE   |
| <b>Independent auditors</b> | RSM UK Audit LLP<br>Chartered Accountants<br>Third Floor<br>Centenary House<br>69 Wellington Street<br>Glasgow<br>G2 6HG |

# **Aura Newcastle Limited**

## **Contents**

---

|                                       | <b>Page</b>    |
|---------------------------------------|----------------|
| Strategic report                      | <b>1</b>       |
| Directors' report                     | <b>2 - 3</b>   |
| Directors' responsibilities statement | <b>4</b>       |
| Independent auditor's report          | <b>5 - 8</b>   |
| Statement of comprehensive income     | <b>9</b>       |
| Balance sheet                         | <b>10</b>      |
| Statement of changes in equity        | <b>11</b>      |
| Statement of cash flows               | <b>12</b>      |
| Notes to the financial statements     | <b>13 - 25</b> |

# Aura Newcastle Limited

## Strategic Report for the year ended 31 March 2022

---

### 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 10 the company recognised turnover for the year of £14,397,749 (2021: £10,292,800), and made a profit before tax for the year of £206,580 (2021: £226,557).

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 12 months. The directors monitor the company's actual performance against the anticipated performance. At 31 March 2022 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.

This report was approved by the board on 27 September 2022 and signed on its behalf.

*Peter Johnstone*

.....  
**P K Johnstone**  
**Director**

# **Aura Newcastle Limited**

## **Directors' Report for the year ended 31 March 2022**

---

The directors present their report and the financial statements for the year ended 31 March 2022.

### **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 £167,806 (2021 - £185,922).

No dividend was declared and paid during the year (2021: £27,688). The profit for the year after taxation was added to the surplus brought forward of £899,204 to give a surplus of £1,067,010 to carry forward.

The directors do not recommend payment of a final dividend (2021: £Nil).

### **Directors**

The directors who served during the year were:

R J W Wotherspoon  
R D Holt  
J S Gordon  
D A Theobald  
P K Johnstone

### **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 2022**

---

This report was approved by the board on 27 September 2022 and signed on its behalf.

*Peter Johnstone*

.....  
**P K Johnstone**  
**Director**

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

## **Aura Newcastle Limited**

### **Directors' Responsibilities Statement for the year ended 31 March 2022**

---

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). 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 2022, 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 2022 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



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

---

### **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 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.

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

---

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud.**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, testing revenue transactions near to the year end and ensuring they have been recorded in the correct period, testing that the revenue recognized is in line with the active contracts in the year, and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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](http://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, 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 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, as a body, for our audit work, for this report, or for the opinions we have formed.

*Linda Gray*

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

Date: 04/10/22

# Aura Newcastle Limited

## Statement of Comprehensive Income for the year ended 31 March 2022

|  | Note | 2022<br>£      | 2021<br>£      |
|--|------|----------------|----------------|
| Turnover                               | 4    | 14,397,749     | 10,292,800     |
| Cost of sales                          |      | (13,986,813)   | (9,919,386)    |
| <b>Gross profit</b>                    |      | <b>410,936</b> | <b>373,414</b> |
| Administrative expenses                |      | (204,556)      | (153,065)      |
| <b>Operating profit</b>                |      | <b>206,380</b> | <b>220,349</b> |
| Income from fixed assets investments   |      | -              | 27,688         |
| Interest receivable and similar income | 6    | 169,112        | 173,909        |
| Interest payable and similar expenses  | 7    | (168,912)      | (195,389)      |
| <b>Profit before tax</b>               |      | <b>206,580</b> | <b>226,557</b> |
| Tax on profit                          | 8    | (38,774)       | (40,635)       |
| <b>Profit for the financial year</b>   |      | <b>167,806</b> | <b>185,922</b> |

There was no other comprehensive income for 2022 (2021:£NIL).

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

# Aura Newcastle Limited

## Balance Sheet as at 31 March 2022

|   | Note | 2022<br>£               | 2021<br>£             |
|---|------|-------------------------|-----------------------|
| <b>Fixed assets</b>                                     |      |                         |                       |
| Investments   | 10   | 1,359,435               | 1,397,190             |
|   |      | <u>1,359,435</u>        | <u>1,397,190</u>      |
| <b>Current assets</b>                                   |      |                         |                       |
| Debtors: amounts falling due within one year            | 11   | 2,445,274               | 739,231               |
| Bank and cash balances                                  |      | 1,442,438               | 1,463,271             |
|   |      | <u>3,887,712</u>        | <u>2,202,502</u>      |
| Creditors: amounts falling due within one year          | 12   | (2,827,991)             | (1,291,351)           |
| <b>Net current assets</b>                               |      | <u>1,059,721</u>        | <u>911,151</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>2,419,156</u>        | <u>2,308,341</u>      |
| Creditors: amounts falling due after more than one year | 13   | (1,292,146)             | (1,349,137)           |
| <b>Net assets</b>                                       |      | <u><u>1,127,010</u></u> | <u><u>959,204</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                       |
| Called up share capital                                 | 16   | 60,000                  | 60,000                |
| Profit and loss account                                 | 17   | 1,067,010               | 899,204               |
|   |      | <u><u>1,127,010</u></u> | <u><u>959,204</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022.

*Peter Johnstone*

.....  
**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 2022

|  | Called up<br>share capital | Profit and<br>loss account | Total equity     |
|--|----------------------------|----------------------------|------------------|
|  | £                          | £                          | £                |
| <b>At 1 April 2020</b>                   | <b>60,000</b>              | <b>740,970</b>             | <b>800,970</b>   |
| Profit for the year                      | -                          | 185,922                    | 185,922          |
| Dividends: Equity capital                | -                          | (27,688)                   | (27,688)         |
| <b>At 1 April 2021</b>                   | <b>60,000</b>              | <b>899,204</b>             | <b>959,204</b>   |
| <b>Comprehensive income for the year</b> |                            |                            |                  |
| Profit for the year                      | -                          | 167,806                    | 167,806          |
| <b>At 31 March 2022</b>                  | <b>60,000</b>              | <b>1,067,010</b>           | <b>1,127,010</b> |

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 2022

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                   |                  |                  |
| Profit for the financial year                                 | 167,806          | 185,922          |
| <b>Adjustments for:</b>                                       |                  |                  |
| Interest paid   | 170,816          | 195,389          |
| Interest received   | (171,016)        | (201,597)        |
| Taxation charge   | 38,774           | 40,635           |
| (Increase)/decrease in debtors                                | (1,877,756)      | 816,675          |
| Decrease/(increase) in amounts owed by groups                 | 624              | (103,419)        |
| Increase/(decrease) in creditors                              | 1,682,019        | (711,448)        |
| Corporation tax (paid)  | (32,300)         | (26,510)         |
| <b>Net cash generated from operating activities</b>           | <b>(21,033)</b>  | <b>195,647</b>   |
| <b>Cash flows from investing activities</b>                   |                  |                  |
| Group undertakings loans repaid                               | -                | 17,736           |
| Interest received   | 171,016          | 173,909          |
| Dividends received  | -                | 27,688           |
| <b>Net cash from investing activities</b>                     | <b>171,016</b>   | <b>219,333</b>   |
| <b>Cash flows from financing activities</b>                   |                  |                  |
| Repayment of other loans                                      | -                | (17,736)         |
| Dividends paid  | -                | (27,688)         |
| Interest paid   | (170,816)        | (195,389)        |
| <b>Net cash used in financing activities</b>                  | <b>(170,816)</b> | <b>(240,813)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(20,833)</b>  | <b>174,167</b>   |
| Cash and cash equivalents at beginning of year                | 1,463,271        | 1,289,104        |
| <b>Cash and cash equivalents at the end of year</b>           | <b>1,442,438</b> | <b>1,463,271</b> |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                  |                  |
| Cash at bank and in hand                                      | 1,442,438        | 1,463,271        |
|   | <b>1,442,438</b> | <b>1,463,271</b> |

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 2022

---

### 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.

The Company's functional and presentation currency is the pounds sterling.

### 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.

The directors have reviewed the cashflow forecasts for the next 12 months 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.

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

#### 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.



# Aura Newcastle Limited

## Notes to the financial statements for the year ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 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 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.

# Aura Newcastle Limited

## Notes to the financial statements for the year ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.7 Financial instruments (continued)

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 2022

---

### 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:

|                                     | 2022<br>£         | 2021<br>£         |
|-------------------------------------|-------------------|-------------------|
| Revenue from professional services  | 2,919,934         | 1,433,584         |
| Revenue from construction contracts | 11,477,815        | 8,859,216         |
|                                     | <u>14,397,749</u> | <u>10,292,800</u> |

Analysis of turnover by country of destination:

|                | 2022<br>£         | 2021<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 14,397,749        | 10,292,800        |
|                | <u>14,397,749</u> | <u>10,292,800</u> |

# Aura Newcastle Limited

## Notes to the financial statements for the year ended 31 March 2022

### 5. Income from investments

|  | 2022<br>£ | 2021<br>£     |
|--|-----------|---------------|
| Dividends received from unlisted investments | -         | 27,688        |
|  | <u>-</u>  | <u>27,688</u> |

### 6. Interest receivable and similar income

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| Bank interest receivable                      | 200            | 2,270          |
| Loan interest receivable from group companies | 168,912        | 171,639        |
|   | <u>169,112</u> | <u>173,909</u> |

### 7. Interest payable and similar expenses

|                               | 2022<br>£      | 2021<br>£      |
|-------------------------------|----------------|----------------|
| Interest on shareholder loans | 168,912        | 171,639        |
| Fees on shareholder loans     | -              | 23,750         |
|                               | <u>168,912</u> | <u>195,389</u> |

### 8. Taxation

|  | 2022<br>£     | 2021<br>£     |
|--|---------------|---------------|
| <b>Corporation tax</b>                           |               |               |
| Current tax on profits for the year              | 38,774        | 40,635        |
| <b>Total current tax</b>                         | <u>38,774</u> | <u>40,635</u> |
| <b>Taxation on profit on ordinary activities</b> | <u>38,774</u> | <u>40,635</u> |

# Aura Newcastle Limited

## Notes to the financial statements for the year ended 31 March 2022

---

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

|  | 2022<br>£            | 2021<br>£            |
|--|----------------------|----------------------|
| Profit on ordinary activities before tax   | <u>206,580</u>       | <u>226,557</u>       |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 39,250               | 43,046               |
| Effects of:  |                      |                      |
| Other timing differences leading to a decrease in taxation   | (476)                | (2,411)              |
| <b>Total tax charge for the year</b>   | <u><b>38,774</b></u> | <u><b>40,635</b></u> |

#### Factors that may affect future tax charges

The rate of corporation tax in the UK throughout the period was 19% and this was the enacted rate of corporation tax at the balance sheet date. Accordingly, the company's profits for this period are taxed at an effective rate of 19.00% (2021: 19%). In the Spring Budget 2021 the government announced that the main rate of UK corporation tax will increase to 25% from 1 April 2023.

### 9. Information regarding directors and employees

The company had no employees during the year (2021: None) and therefore no staff costs (2021: £Nil), and no emoluments were paid to the directors in respect of their services to the company (2021: £Nil). £40,000 (2021: £18,000) 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 2022

---

#### 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<br>in<br>subsidiary<br>companies<br>£ | Loans to<br>subsidiaries<br>£ | Total<br>£ |
|--------------------------|---|-------------------------------|------------|
| <b>Cost or valuation</b> |   |                               |            |
| At 1 April 2021          | 10,000  | 1,387,190                     | 1,397,190  |
| Repayment                | -   | (37,755)                      | (37,755)   |
| At 31 March 2022         | 10,000  | 1,349,435                     | 1,359,435  |
| <b>Net book value</b>    |   |                               |            |
| At 31 March 2022         | 10,000  | 1,349,435                     | 1,359,435  |
| At 31 March 2021         | 10,000  | 1,387,190                     | 1,397,190  |

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 for the year ended 31 March 2022

### 11. Debtors

|                                    | 2022<br>£        | 2021<br>£      |
|------------------------------------|------------------|----------------|
| Trade debtors                      | 1,397,234        | 342,350        |
| Amounts owed by group undertakings | 125,398          | 128,760        |
| Prepayments and accrued income     | 922,642          | 268,121        |
|                                    | <u>2,445,274</u> | <u>739,231</u> |

### 12. Creditors: Amounts falling due within one year

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| Other loans                        | 57,289           | 38,053           |
| Trade creditors                    | 1,471,882        | 389,005          |
| Corporation tax                    | 9,858            | 3,384            |
| Other taxation and social security | 188,296          | 233,641          |
| Other creditors                    | 174              | 121              |
| Accruals and deferred income       | 1,100,492        | 627,147          |
|                                    | <u>2,827,991</u> | <u>1,291,351</u> |

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

|             | 2022<br>£        | 2021<br>£        |
|-------------|------------------|------------------|
| Other loans | 1,292,146        | 1,349,137        |
|             | <u>1,292,146</u> | <u>1,349,137</u> |

### 14. Financial instruments

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| <b>Financial assets</b>  |                  |                  |
| Financial assets measured at fair value through profit or loss | <u>1,442,438</u> | <u>1,463,271</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 2022

### 15. Loans

Analysis of the maturity of loans is given below:

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| <b>Amounts falling due within one year</b>         |                  |                  |
| Other loans  | 57,289           | 38,053           |
|  | <u>57,289</u>    | <u>38,053</u>    |
| <b>Amounts falling due after more than 5 years</b> |                  |                  |
| Other loans  | 1,292,146        | 1,349,137        |
|  | <u>1,349,435</u> | <u>1,387,190</u> |

During September 2009 1,009,200 £1 unsecured loan notes were issued at par. Interest on the loan notes are 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 2022, 262,573 notes had been repaid at par.

During August 2012 921,687 £1 unsecured loan notes were issued at par. Interest on the loan notes are 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 2022, 281,124 notes had been repaid at par.

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

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Aura Holdings (Newcastle) Limited              | 1,079,547        | 1,109,752        |
| Dalmore Capital (Para 1) Limited               | 134,944          | 138,719          |
| The Council of the City of Newcastle upon Tyne | 134,944          | 138,719          |
|  | <u>1,349,435</u> | <u>1,387,190</u> |



## Aura Newcastle Limited

### Notes to the financial statements for the year ended 31 March 2022

The loan notes are repayable as follows:

|                     | 2022<br>£        | 2021<br>£        |
|---------------------|------------------|------------------|
| In less than 1 year | 57,289           | 38,053           |
| In 1 - 2 years      | 57,382           | 52,204           |
| In 2 - 5 years      | 272,455          | 249,423          |
| Over 5 years        | 962,309          | 1,047,510        |
|                     | <u>1,349,435</u> | <u>1,387,190</u> |

#### 16. Share capital

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| <b>Allotted, called up and fully paid</b>                     |               |               |
| 6,000 (2021 - 6,000) Ordinary A Shares shares of £1.00 each   | 6,000         | 6,000         |
| 6,000 (2021 - 6,000) Ordinary B Shares shares of £1.00 each   | 6,000         | 6,000         |
| 48,000 (2021 - 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

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year:-

|           | 2022<br>£ | 2021<br>£     |
|-----------|-----------|---------------|
| Dividends | -         | 27,688        |
|           | <u>-</u>  | <u>27,688</u> |

Dividends paid of £Nil (2021: £0.46) per ordinary 'A', 'B' and 'C' shares.

# Aura Newcastle Limited

## Notes to the financial statements for the year ended 31 March 2022

---

### 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 £Nil (2021: £725) was payable under these contracts during the year and £Nil (2021: £725) 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. £271,298 (2021: £380,366) was receivable under this contract during the year, and £220,698 (2021: £174,604) 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. £187,521 (2021: £182,578) was receivable under this contract during the year, and £98,635 (2021: £60,520) was included within, debtors prepayments and accrued income at the year end.

Amounts totaling £76,923 (2021: £62,135) 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. £Nil (2021: £49,740) 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 £303,941 (2021: £311,656) 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. £141,188 (2021: £65,138) 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 £11,697,839 (2021: £9,434,528) were payable during the year for the provision of staff, offices, construction and facilities management services. £431,811 (2021: £278,760) 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 2022

Fees of £40,000 (2021: £18,000) were payable to the company's shareholders for directors' and management services during the year, and £39,000 (2021: £18,000) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

|  | <b>Fees payable<br/>2022<br/>£</b> | <b>Fees accrued<br/>2022<br/>£</b> | <b>Fees payable<br/>2021<br/>£</b> | <b>Fees accrued<br/>2021<br/>£</b> |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Aura Holdings (Newcastle) Limited              | 20,000                             | 20,000                             | 9,000                              | 13,500                             |
| Dalmore Capital (Para 1) Limited               | 10,000                             | -                                  | 4,500                              | 4,500                              |
| The Council of the City of Newcastle upon Tyne | 10,000                             | 10,000                             | 4,500                              | -                                  |
|  | <b>40,000</b>                      | <b>30,000</b>                      | <b>18,000</b>                      | <b>18,000</b>                      |

Included in the investments disclosed in note 10 are loan notes in Aura (Newcastle) Holding Company Limited. During the year £4,536 (2021: £6,000) was repaid in respect of this loan. Interest of £91,911 (2021: £92,561) was receivable on this loan, of which £46,238 (2021: £46,424) 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 £4,536 (2021: £6,000) was repaid in respect of this loan. Interest of £91,911 (2021: £92,561) was payable on this loan, of which £46,238 (2021: £46,424) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

|  | <b>Interest payable<br/>2022<br/>£</b> | <b>Interest accrued<br/>2022<br/>£</b> | <b>Interest payable<br/>2021<br/>£</b> | <b>Interest accrued<br/>2021<br/>£</b> |
|--|--|--|--|--|
| Aura Holdings (Newcastle) Limited              | 73,529                                 | 36,990                                 | 74,049                                 | 37,140                                 |
| Dalmore Capital (Para 1) Limited               | 9,191                                  | 4,624                                  | 9,256                                  | 4,642                                  |
| The Council of the City of Newcastle upon Tyne | 9,191                                  | 4,624                                  | 9,256                                  | 4,642                                  |
|  | <b>91,911</b>                          | <b>46,238</b>                          | <b>92,561</b>                          | <b>46,424</b>                          |

Included in the investments disclosed in note 10 are loan notes in Aura (Newcastle) Holding Company Phase 2 Limited. During the year £33,129 (2021: £11,736) was repaid in respect of this loan. Interest of £77,001 (2021: £79,078) was receivable on this loan, of which £38,373 (2021: £39,940) 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 2022

Included in the loans disclosed in note 15 are loan notes upon which interest is charged at 12.26%. During the year £33,129 (2021: £11,736) was repaid in respect of this loan. Interest of £77,001 (2021: £79,078) was payable on this loan, of which £38,373 (2021: £39,940) was unpaid at the year end and included in accruals and deferred income due within one year as follows:

|   | Interest<br>payable<br>2022<br>£ | Interest<br>accrued<br>2022<br>£ | Interest<br>payable<br>2021<br>£ | Interest<br>accrued<br>2021<br>£ |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Aura Holdings (Newcastle) Limited                 | 61,601                           | 30,699                           | 63,262                           | 31,952                           |
| Dalmore Capital (Para 1) Limited                  | 7,700                            | 3,837                            | 7,908                            | 3,994                            |
| The Council of the City of Newcastle upon<br>Tyne | 7,700                            | 3,837                            | 7,908                            | 3,994                            |
|   | <u>77,001</u>                    | <u>38,373</u>                    | <u>79,078</u>                    | <u>39,940</u>                    |

A working capital loan facility of £500,000 was provided by the company's shareholders in prior years, however this year there was no loan facility provided. Arrangement fees of £Nil (2021: £15,000) were payable in respect of the facility during the year, and £25,500 (2021: £28,500) was unpaid at the year end and included in accruals and deferred income due within one year. Commitment fees of £Nil (2021: £8,750) were also payable in respect of the facility during the year, and £8,757 (2021: £13,150) 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.