

REGISTERED COMPANY NUMBER: 02264564 (England and Wales)
REGISTERED CHARITY NUMBER: 299935

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
FOR
AURORA OPTIONS

AURORA OPTIONS

CHARITABLE COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

REGISTERED OFFICE AND OPERATIONAL ADDRESS

Unit 3
California Buildings
Deals Gateway
London
SE13 7SB

REGISTERED CHARITY NUMBER

299935

COMPANY NUMBER

02264564

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers also members of the council of management serving during and since the year-end were as follows:

M Ballantine	Chair and Treasurer
I Terrisson	
J Tosswell	
J Young	

KEY MANAGEMENT PERSONNEL

W Scott	Chief Executive & Company Secretary
G Nicholls	Director of Development
F Amodé	Accountant
L Preston	Operations Manager

BANKERS

Lloyds TSB Bank Plc
15 Blackheath Village
London
SE3 9LH

Bank of Scotland
Community Banking
Edinburgh
EH2 2YR

AUDITORS

Wilkins Kennedy
2nd Floor,
Regis House
45 King William Street,
EC4R 9AN

HR ADVISORS

Wolters Kluwer (Croner)
145 London Rd,
Kingston upon Thames
KT2 6SR

AURORA OPTIONS

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2019

The Council of Management presents its report and the audited statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum of and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

1. Objectives and activities

The aims of the charity are to provide support to adults with learning disabilities to live in their local communities. By doing this, we aim to enable individuals to live fulfilled lives.

The council of management reviews the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The council of management reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the council of management ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The council of management has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the council of management considers how planned activities will contribute to the aims and objectives that have been set.

We continue to work with commissioners in local authorities, social landlords and other stakeholders to identify areas of local need and plan services to meet these needs. Short and long term aims and objectives have been identified in the current business plan. This business plan has to remain fluid as a result of the current financial uncertainties in the voluntary sector. Part of this business plan is to investigate the use of social investment and grant making.

2. Achievements and Performance

The charity's main activities and whom it tries to help are described below. Its charitable activities focus on providing support for people to live either in care homes or in supported living arrangements in their own homes. Aurora provides support and services to enable adults with learning difficulties to live in their local area. The activities are undertaken to further Aurora Options' charitable purposes for the public benefit.

We have continued our days away with support staff, which have proved to be beneficial to the organisation and which were appreciated by all participants. These days provide a valuable forum to examine our current practice and how services and employee relations can be improved.

In order to further increase the quality of service we provide, including mentoring and coaching of staff and developing their skills in achieving client-centered outcomes, we have made changes to our management structure. This involved elimination of the senior support worker grade and increasing the number of managers and reducing the number of services for which they were responsible. This has enabled managers to spend more time in services, thereby creating a culture of quality and empowerment.

Our card making social enterprise continues to grow stronger and garner positive feedback from stakeholders and customers. This is particularly valuable as it provides a worthwhile activity for service users which enhances their creativity, self-esteem and socialisation, as well as integration into the wider community in a relatively high profile manner.

We were fortunate enough to have been able to reward staff with a winter bonus this year.

Aurora continues to hold "gold status" in its Investor in People accreditation and also ISO 9001, 14001 and CHAS accreditation.

Our non-residential services have grown in the year. As well as maintaining high quality services within the borough of Lewisham with high stakeholder satisfaction, we are now contracted to provide a number of outreach services in Greenwich. This has been a positive excursion and we anticipate significant growth in this area in the coming months and years.

AURORA OPTIONS
REPORT OF THE COUNCIL OF MANAGMENT
FOR THE YEAR ENDED 31 MARCH 2019

2. Achievements and Performance - continued

We are fully compliant with GDPR requirements.

We continue to provide staff training programmes via e-learning as well as other means of training. Service users' families, advocates and supporters, as well as Social Work Teams, and commissioners continue to be very positive in their feedback regarding the services Aurora provides. Service users continue to be involved in the running of the organisation in a variety of ways including the service user involvement group.

We have laid the ground work for a planned approach to implementing formal "Positive Behaviour Support" programmes in Aurora. The aim is to have all of our managers trained in this process cascade this learning down to all staff members and improve its implementation in all services.

We are further consolidating our position as a leading provider of personalised services for adults with learning disabilities in the South London area. In particular, we achieved an "Outstanding" rating from CQC this year, which places Aurora in the category of an elite organisation. All our other ratings were likewise positive.

In addition, we have taken part in a pilot for the implementation of "Individual Service Fund" strategies in the borough of Bexley. We anticipate furthering our ambitions in the full implementation of this project in the coming year.

We have received many compliments from service users, families and other professional agencies, which reflect the high standards we achieve in providing support to people with learning disabilities.

We continue to develop and implement creative strategies to empower people with learning disabilities to live lives in their local communities and to embrace their role as citizens.

Aurora Options continues to foster community links with employers and also other agencies and work with other providers in the Lewisham borough to help maximise efficiency. We are currently reviewing our investment strategies.

The financial climate remains challenging and at the same time, expectations of excellence for organisations like Aurora are at their highest. Nonetheless, we are confident that our commitment and creativity will continue to ensure that we remain at the forefront of service delivery for adults with learning disabilities.

We continue to review all our policies and procedures to ensure they are in line with current best practice.

We continue to work with local employment agencies to secure opportunities for people with learning disability.

3. Financial Review

The charity's principal funder is Lewisham Council, which is a government agency. We have received income from spot contracts, day services and floating support services (outreach) from Lewisham. We also receive funding from Bexley and Southwark.

Our risk registers covers the principal risks and uncertainties of the organisation and is currently under review.

Reserves Policy

The charity's reserves policy is to hold running costs sufficient for the short term to medium term. This has been deemed prudent by its council members to ensure that services continue to run as normal in the event of a temporary decline in income.

The charity's free reserve (unrestricted funds less the net book value of tangible fixed assets) currently stands at £1,066,280 (2018: £1,055,068) which represents approximately 4 to 6 months' running costs. The trustees consider the level of reserves sufficient to act as a form of security in an increasingly uncertain financial climate.

AURORA OPTIONS

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2019

Principal Risks and Uncertainties

Major risks are identified on an on-going basis and are discussed with external agents with expertise in the required area as appropriate. The council members are involved in this process as required.

We have worked with Lewisham Council to ensure that our disaster planning is robust. This covers IT back up, financial precautions and physical evacuation contingencies.

We have started planning for potential post- Brexit issues and how we will develop strategies to cope with potential difficulties.

The current financial climate for publicly funded bodies is very challenging and uncertain.

We have refined our financial strategies to ensure we are functioning at peak efficiency and we are in constant contact with Commissioners in adjusting our service strategy to ensure that this is in line with requirements. We maintain a competitive edge.

4. Plans for the future

We continue to look for opportunities to provide new services both within and outside Lewisham as needs develop. We will forge links with other organisations and agencies to help us achieve this. We have also designated some funds to allow us to do this.

We will also explore new ways of contracting with individuals, their families and supporters, commissioners, and other parties to develop more accountable services which empower those who receive them.

We will also continue to expand and refine the use of person centred techniques to the benefit our service users.

We intend to promote the organisation by use of video and literature as well as social media. This is part of our 3 year PR strategy.

We are continuing to develop methods of presenting qualitative and quantitative evidence of progress and working with service users.

It is likely that we will look to provide support for individuals with more intensive support needs both inside and outside the Borough of Lewisham.

We will continue to embrace new ideas to develop technological solutions to include service users in planning their own services.

We continue to review expenditure and use of resources to ensure that we are operating at peak efficiency.

We plan to take the card making enterprise online.

5. Structure, Governance & Management

The organisation is a charitable company limited by guarantee incorporated on 3 June 1988 and registered as a charity on 17 August 1988.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. New council members are appointed by the existing members at council meetings. They are approached with a view to bringing their particular skills to the council.

Induction of new council members consists of meetings with the chief executive to discuss their role on the board and to receive information in relation to the charity, its service users, staff and the board in general. Literature and more formal training are also available.

All council of management members give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

AURORA OPTIONS

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2019

5. Structure, Governance & Management (continued)

The organisation is robustly managed by experienced and qualified full time officers who report to the trustees. There is a clear line of accountability flowing through all grades of employees and performances robustly monitored by a variety of management processes. Remuneration is negotiated within the structure.

We have a clear and comprehensive induction and training package and policies and procedures.

Key management personnel

The key management personnel of the charitable company are the Board of Trustees, the Chief Executive, the Director of Development and the Accountant as disclosed on page 1 of the financial statements. All members of the board give their time freely and no board members received remuneration in the year.

Remuneration for the Chief Executive is set by the Board of Trustees. Remuneration of other members of the key management is set by the Chief Executive and the Board of Trustees.

Remuneration of the key management is reviewed annually and benchmarked against local comparable organisations. Bonuses are paid in accordance with appraisal objectives set by the CEO, with the objectives taken from Aurora's business plan.

Council of Management's responsibilities in relation to the financial statements

The trustees (who are also directors of Aurora Options for the purposes of company law) are responsible for preparing the Council of Management's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 4 (2018 - 4). Each member of the council of management is a member of the charity but this entitles them only to voting rights. Each member of the council of management has no beneficial interest in the charity.

AURORA OPTIONS
REPORT OF THE COUNCIL OF MANAGMENT
FOR THE YEAR ENDED 31 MARCH 2019

Auditors

A resolution for the re-appointment of Wilkins Kennedy Audit Services as auditors to the company will be submitted to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

Approved by the Council of Management on 9 December 2019 and signed on its behalf by:



Mark Ballantine
Chair and Treasurer

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

Opinion

We have audited the financial statements of Aurora Option (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities and Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
2nd Floor Regis House
45 King William St
London
EC4R 9AN

Date: *10 December 2019*

AURORA OPTIONS

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 Unrestricted £	2019 Total £	2018 Total £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies		34,627	34,627	37,825
Charitable activities	2	4,193,893	4,193,893	4,172,746
Total income		<u>4,228,520</u>	<u>4,228,520</u>	<u>4,210,571</u>
EXPENDITURE ON:				
Charitable activities	3	4,222,389	4,222,389	4,208,643
Total expenditure		<u>4,222,389</u>	<u>4,222,389</u>	<u>4,208,643</u>
NET MOVEMENT IN FUNDS		<u>6,131</u>	<u>6,131</u>	<u>1,928</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		1,249,732	1,249,732	1,247,804
Total funds carried forward	11	<u>1,255,863</u>	<u>1,255,863</u>	<u>1,249,732</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 10 to 18 form part of these financial statements

AURORA OPTIONS
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	6	75,933	77,414
CURRENT ASSETS			
Debtors	7	321,726	454,267
Cash and cash equivalents		<u>1,359,429</u>	<u>1,137,273</u>
		1,681,155	1,591,540
CREDITORS			
Amounts falling due within one year	8	501,225	419,222
NET CURRENT ASSETS		<u>1,179,930</u>	<u>1,172,318</u>
NET ASSETS		<u>1,255,863</u>	<u>1,249,732</u>
FUNDS			
Designated Funds	11	113,650	117,250
General Funds	11	1,142,213	1,132,482
TOTAL FUNDS		<u>1,255,863</u>	<u>1,249,732</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2016 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 9 December 2019 and were signed on its behalf by:

.....
M Ballantine - Chair



The notes on pages 10 to 18 form part of these financial statements

AURORA OPTIONS
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 Total £	2018 Total £
Net cash generated from operating activities	14	222,156	(23,384)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		-	-
Purchase of office equipment		-	(5,237)
Net cash generated from investing activities		-	(5,237)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		<u>222,156</u>	<u>(28,621)</u>
Cash and cash equivalents at the beginning of the year		1,137,273	1,165,894
Cash and cash equivalents at the end of the year		<u>1,359,429</u>	<u>1,137,273</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS		2019 Total £	2018 Total £
Cash at bank and in hand		<u>1,359,429</u>	<u>1,137,273</u>
		<u>1,359,429</u>	<u>1,137,273</u>

The notes on pages 10 to 18 form part of these financial statements

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) General information and basis of preparation

Aurora Options is a company limited by guarantee and domiciled in England and Wales, registration number 02264564. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Aurora Options meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

b) Preparation of the accounts on a going concern basis

The charitable company has reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. It has therefore continued to adopt the going concern basis in preparing its financial statements.

c) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Bad debts
- Accruals

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

d) Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

e) Fund accounting

Unrestricted funds - represent those funds which can be used in accordance with the Association's charitable objects at the discretion of the Trustees.

Designated funds – represent those funds set aside by the council of management out of unrestricted general funds for specific future purposes or projects.

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

f) Income

Income is recognised in the Statement of Financial Activities when the Charitable Company has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

- Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- Investment income is included in the financial statements in the year in which it is receivable.
- Contract income is recognised in the period in which it is receivable.
- Residents' charges received are credited to the statement of financial activities in the period in which they are receivable.

g) Expenditure and irrecoverable VAT

Expenditure is recognised in the Statement of Financial Activities once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Expenditure on charitable activities represents expenditure in the furtherance of the object of the charity;
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred; and
- Expenditure on office furniture and computer equipment is written off as incurred.

h) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

i) Operating leases

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

j) Fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the costs of each asset over the assets' estimated useful lives as follows:

Freehold land	– not depreciated
Freehold buildings	– 50 years on a straight line basis
Fixtures and fittings	– 4 years on a reducing balance basis

Items of equipment are charged as expenditure where the purchase price is below £1,000.

k) Debtors

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

l) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

m) Creditors

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

n) Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The company recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.

o) Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. INCOMING RESOURCES

	2019 Total £	2018 Total £
Residential Care and Support		
Spot Contract	3,056,508	3,039,716
Day Services	193,886	142,502
Floating Support	57,674	59,132
Supporting People Income	54,376	50,940
	<u>3,362,444</u>	<u>3,292,290</u>
Housing Management	831,449	880,456
	<u>831,449</u>	<u>880,456</u>
Total	<u>4,193,893</u>	<u>4,172,746</u>

3. TOTAL RESOURCES EXPANDED

	Direct costs £	Support costs (note 3a) £	2019 Total £	2018 Total £
Residential care and support costs	3,348,917	191,400	3,540,317	3,429,021
Housing management	636,722	45,350	682,072	779,622
Total	<u>3,985,639</u>	<u>236,750</u>	<u>4,222,389</u>	<u>4,208,643</u>

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

3a. SUPPORT COSTS

Support costs, included in the above, are as follows:	2019	2018
	£	£
Rent, rates & utility bills	56,877	54,340
Office costs	54,306	103,018
IT costs	20,973	25,678
Staff costs	31,947	32,398
Subscriptions	7,833	8,403
Repairs and renewals	16,838	52,511
Professional fees	12,476	13
Legal fees	17,083	-
Audit and accountancy fees	6,900	6,240
Bank charges	36	257
Depreciation	1,481	1,810
Movement in provision for bad debts	10,000	-
	<u>236,750</u>	<u>284,668</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation	1,481	1,810
Auditors' remuneration	5,900	5,750
Auditors' remuneration (non-audit work)	<u>1,000</u>	<u>1,000</u>

5. STAFF COSTS

	2019	2018
	£	£
Salaries and wages	2,351,330	2,264,307
Social security costs	212,752	209,366
Employer's contribution to pension schemes	84,791	46,188
Temporary and agency staff	<u>663,088</u>	<u>686,245</u>
	<u>3,311,961</u>	<u>3,206,106</u>
Total emoluments paid to staff	<u>2,442,121</u>	<u>2,310,495</u>

One employee received employee benefits (excluding employer pension costs) of more than £60,000 in the band £60,000 to £79,999 (2018: 1). Also, one employee received employee benefits (excluding employer pension costs) of more than £80,000 in the band £80,000 to £89,999 (2018: 0).

Staff costs, including defined contribution pension expenses, have been allocated on a percentage basis over all costs.

The key management personnel comprises the personnel given in the Report of the Council of Management. The total employee benefits of the key management personnel (including employer pension costs) of the charitable company were £236,380 (2018: £213,644).

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

5. STAFF COSTS - continued

Staff numbers

The total average weekly number of employees (full-time equivalent) during the year were as follows:

	2019	2018
	No.	No.
Support in Services	107.9	97.6
Housing	2.5	1.5
Support	8.0	9.0
Governance	4.0	4.0
	<u>122.4</u>	<u>112.1</u>

Trustees' remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment within the Charity.

No expenses were paid in either the current or the prior year.

6. TANGIBLE FIXED ASSETS

	Land and Buildings £	Office Equipment £	Totals £
COST			
At 1 April 2018	74,987	5,237	80,224
Disposals	-	-	-
At 31 March 2019	<u>74,987</u>	<u>5,237</u>	<u>80,224</u>
DEPRECIATION			
At the start of the year	1,500	1,310	2,810
Charge for the year	500	981	1,481
Eliminated on disposal	-	-	-
At the end of the year	<u>2,000</u>	<u>2,291</u>	<u>4,291</u>
NET BOOK VALUE			
At the end of the year	<u>72,987</u>	<u>2,946</u>	<u>75,933</u>
At the start of the year	<u>73,487</u>	<u>3,927</u>	<u>77,414</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade Debtors	281,955	439,289
Prepayments and accrued income	21,871	-
Other Debtors	17,900	14,978
	<u>321,726</u>	<u>454,267</u>

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade Creditors	211,860	160,253
Other Creditors	3,495	3,962
Accruals and deferred income (note 8.1)	285,870	255,007
	<u>501,225</u>	<u>419,222</u>

8.1 Deferred Income

	2019	2018
	£	£
Deferred income reconciliation:		
Brought forward at start of year	50,000	100,000
Released In Year	(50,000)	(50,000)
Deferred In Year	92,589	-
Carried forward at end of year	<u>92,589</u>	<u>50,000</u>

9. OBLIGATIONS UNDER LEASING AGREEMENTS

The charity had total commitments under non-cancellable operating leases as detailed below:

	2019	2018
	£	£
Operating leases which expire:		
Within one year	57,600	57,600
Within one to five years	204,600	226,200
After more than five years	67,200	168,000
	<u>329,400</u>	<u>451,800</u>

10. ANALYSIS OF NET ASSETS OF FUNDS

	Unrestricted Funds £	Total Funds £
Tangible fixed assets	75,933	75,933
Net current assets	1,179,930	1,179,930
	<u>1,255,863</u>	<u>1,255,863</u>

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

10.1. ANALYSIS OF NET ASSETS OF FUNDS – Prior Year

	Unrestricted Funds £	Total Funds £
Tangible fixed assets	77,414	77,414
Net current assets	1,172,318	1,172,318
	<u>1,249,732</u>	<u>1,249,732</u>

11. MOVEMENT IN FUNDS

	Brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Carried forward £
UNRESTRICTED FUNDS					
General fund	1,132,482	4,228,520	(4,218,789)	-	1,142,213
Designated funds					
Consultancy & Tendering (a)	50,000	-	(3,600)	-	46,400
Public Relations (b)	67,250	-	-	-	67,250
	<u>117,250</u>	<u>-</u>	<u>(3,600)</u>	<u>-</u>	<u>113,650</u>
TOTAL FUNDS	<u>1,249,732</u>	<u>4,228,520</u>	<u>(4,222,389)</u>	<u>-</u>	<u>1,255,863</u>

The purpose of the Designated Funds are as follows:-

- (a) A Consultancy and Tendering Fund used to generate new business and to ensure effective tendering through training;
- (b) A Public Relations Fund used to improve and create effective PR, and expanded during the year to include company development; and

11.1. MOVEMENT IN FUNDS – Prior Year

	Brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Carried forward £
UNRESTRICTED FUNDS					
General fund	1,130,554	4,210,571	(4,208,643)	-	1,132,482
Designated funds					
Consultancy & Tendering	50,000	-	-	-	50,000
Public Relations	67,250	-	-	-	67,250
	<u>117,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,250</u>
TOTAL FUNDS	<u>1,247,804</u>	<u>4,210,571</u>	<u>(4,208,643)</u>	<u>-</u>	<u>1,249,732</u>

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the current year or the prior years.

13. ULTIMATE CONTROLLING PARTY

The charitable company is considered to have no ultimate controlling party.

14. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	Total 2019 £	Total 2018 £
Net expenditure/income for the reporting period	6,131	1,928
Adjustments for:		
Depreciation	1,481	1,810
(Increase)/decrease in debtors	132,541	(110,842)
Increase/(decrease) in creditors	82,003	83,720
	<u>222,156</u>	<u>(23,384)</u>