

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 2021
FOR
AURORA OPTIONS

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AURORA OPTIONS**

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:

I Terrison
J Tosswell
J Young (Chair)

KEY MANAGEMENT PERSONNEL

W Scott	Chief Executive & Company Secretary
G Nicholls	Director of Development
F Amode	Accountant

BANKERS

Lloyds TSB Bank Plc
15 Blackheath Village
London
SE3 9LH

Bank of Scotland
Community Banking
Edinburgh
EH2 2YR

AUDITORS

Azets Audit Services Limited
2nd Floor,
Regis House
45 King William Street,
EC4R 9AN

HR ADVISORS

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

The Council of Management presents its report and the audited statements for the year ended 31 March 2021.

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. 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.

During the course of the entire year, Aurora continued to prioritize the health and safety of services users and staff during the covid pandemic. We continued to review all practices, policies and procedures to adapt to the course of the pandemic and changing government guidelines. This required a considerable amount of time and energy and inter-agency working.

This involved a review of practices, policies and procedures, a flexible approach to staff allocation and management and close cooperation with statutory health bodies and local authority.

We successfully minimized the impact of covid on all service users and staff. During the last quarter, we launched a strategy for vaccinating staff and service users, which contributed to our successful response.

Many of our day services were curtailed, restricted or modified as part of the above response. Although these services continued when possible, health and safety requirements meant that these have been considerably reduced throughout the course of the year.

The result of this tremendous effort was that although a small number of service users and staff became ill, the infection was contained to a minimum.

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.

We are fully compliant with GDPR requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

2. Achievements and Performance - continued

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 executed our plans for 'Positive Behaviour Support' All of our managers have been trained and a programme for delivery in the services has been made. This will lead to a significant increase in quality in the future

Following our work with Bexley Council, we have managed to set up an Individual Service Funds scheme and despite the pandemic, this scheme is now fully operational.

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 £1,223,211 (2020: £1,043,916) 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

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.

Covid continues as a major threat to all of our well-being. As such, we have made plans to continuously review our response to the pandemic and the majority of our future efforts will be directed to this end.

We continue to plan 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.

Lewisham Council continues with its policy of requiring local organisations to participate in competitive tendering to retain their current services. Sadly, Aurora lost one service during the first part of the process. In the coming months, many more of our services will be put out to tender.

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 including 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 are looking at a number of options which will help us to cooperate in joint ventures with other similar organisations. In particular, we plan to concentrate on how we can work closely with like-minded organisations.

Given the uncertainties for organisations of Aurora's size , we are considering the possibility of a merger with another like minded organization. Such a merger might provide the opportunity for us to pull joint resources, maximize efficiency, combine expertise and give a greater potential for innovative and response of service delivery.

Merger

Following a period of discussion with a likeminded organisation in Lewisham, Lewisham Nexus Service ,we are pleased to say that we have agreed that both organisations should come together to provide a more stable and robust option for providing support to people with Learning disabilities in future years. Both organisations have excellent reputation for providing innovative and person centred services. By joining, we will form a financially and philosophically sound base for service stability and development.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

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 6 to the accounts.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

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 2021 was 4 (2020 - 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.

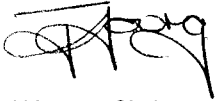
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AURORA OPTIONS**

Auditors

A resolution for the re-appointment of Azets Audit Services Limited 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 27 October 2021 and signed on its behalf by:



J Young - Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

Opinion

We have audited the financial statements of Aurora Options (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021, and of its incoming resources and application of resources, including its income and expenditure, 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

In auditing the financial statements, we have concluded that the trustees' 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 charitable 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 trustees 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees 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.

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AURORA OPTIONS

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.

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Reviewing the reports of any regulatory inspections carried out in the year;
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AURORA OPTIONS**

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.

Azets Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor, Chartered Accountants
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: *08 November 2021*

AURORA OPTIONS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2021	2020
	Note	Unrestricted	Total	Total
		£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	2	144,697	144,697	21,782
Charitable activities	3	3,648,015	3,648,015	3,958,388
Total income		<u>3,792,712</u>	<u>3,792,712</u>	<u>3,980,170</u>
EXPENDITURE ON:				
Charitable activities	4	3,688,880	3,688,880	3,966,625
Total expenditure		<u>3,688,880</u>	<u>3,688,880</u>	<u>3,966,625</u>
NET MOVEMENT IN FUNDS		<u>103,832</u>	<u>103,832</u>	<u>13,545</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>1,269,408</u>	<u>1,269,408</u>	<u>1,255,863</u>
Total funds carried forward	12	<u>1,373,240</u>	<u>1,373,240</u>	<u>1,269,408</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 15 to 23 form part of these financial statements


AURORA OPTIONS

**BALANCE SHEET
AT 31 MARCH 2021**

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	7	73,009	74,452
CURRENT ASSETS			
Debtors	8	407,502	368,643
Cash and cash equivalents		<u>1,717,914</u>	<u>1,206,707</u>
		2,125,416	1,575,350
CREDITORS			
Amounts falling due within one year	9	825,185	380,394
NET CURRENT ASSETS		<u>1,300,231</u>	<u>1,194,956</u>
NET ASSETS		<u><u>1,373,240</u></u>	<u><u>1,269,408</u></u>
FUNDS			
Designated Funds	12	77,020	77,020
General Funds	12	1,296,220	1,195,388
TOTAL FUNDS		<u><u>1,373,240</u></u>	<u><u>1,269,408</u></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 27 October 2021 and were signed on its behalf by:



 J Young - Chair

The notes on pages 15 to 23 form part of these financial statements

AURORA OPTIONS
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Total £	2020 Total £
Net cash generated from operating activities	14	511,207	(152,723)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		-	-
Purchase of office equipment		-	-
Net cash generated from investing activities		-	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		<u>511,207</u>	<u>(152,720)</u>
Cash and cash equivalents at the beginning of the year		1,206,706	1,359,429
Cash and cash equivalents at the end of the year		<u>1,717,914</u>	<u>1,206,706</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS			
		2021 Total £	2020 Total £
Cash at bank and in hand		<u>1,717,914</u>	<u>1,206,706</u>
		<u>1,717,914</u>	<u>1,206,706</u>

The notes on pages 15 to 23 form part of these financial statements

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

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

After reviewing the charity's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The trustees have also considered the impact of the COVID-19 pandemic lockdown on the future viability of the charity. Budgets for the coming year have been prepared which predict a deficit situation, which the charity has b/fwd unrestricted funds to cover. This supports the view that the financial statements should be prepared on a going concern basis.

Our upcoming merger with LNS will add to our financial stability and provide a robust basis for the future.

Consequently, the trustees have a reasonable expectation that the charity will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

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.

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

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.

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 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 live 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.

AURORA OPTIONS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

ACCOUNTING POLICIES - continued

l) 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.

m) 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.

n) 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 FROM VOLUNTARY INCOME

	2021	2020
	Total	Total
	£	£
Donations and legacies	5,270	21,782
Government grants – Job Retention Scheme	67,743	-
Other COVID grants	71,684	-
	<u>144,697</u>	<u>21,782</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021	2020
	Total	Total
	£	£
Residential Care and Support		
Spot Contract	2,638,127	2,793,588
Day Services	125,835	283,481
Floating Support	15,445	48,760
Supporting People Income	-	47,226
	<u>2,779,407</u>	<u>3,125,828</u>
Housing Management	<u>868,606</u>	<u>832,560</u>
	<u>868,608</u>	<u>832,560</u>
Total	<u>3,648,015</u>	<u>3,958,388</u>

AURORA OPTIONS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

4. TOTAL RESOURCES EXPANDED

	Direct costs	Support costs (note 4a)	2021 Total	2020 Total
	£	£	£	£
Residential care and support costs	2,737,953	231,418	2,969,371	3,255,335
Housing management	661,655	57,854	719,509	711,290
Total	<u>3,399,608</u>	<u>289,272</u>	<u>3,688,880</u>	<u>3,966,625</u>

4a. SUPPORT COSTS

Support costs, included in the above, are as follows:

	2021	2020
	£	£
Rent, rates & utility bills	76,623	57,868
Office costs	59,788	69,475
IT costs	15,913	22,656
Staff costs	17,108	55,457
Subscriptions	12,758	12,052
Repairs and renewals	27,925	15,699
Professional fees	63,301	42,095
Legal fees	5,022	6,356
Audit and accountancy fees	9,264	8,316
Bank charges	126	174
Depreciation	1,443	1,481
	<u>289,272</u>	<u>291,629</u>

5. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation	1,443	1,481
Auditors' remuneration	6,100	6,000
Auditors' remuneration (non-audit work)	<u>1,000</u>	<u>1,000</u>

AURORA OPTIONS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

6. STAFF COSTS

	2021	2020
	£	£
Salaries and wages	2,260,182	2,234,387
Social security costs	197,166	198,560
Employer's contribution to pension schemes	99,239	97,594
Temporary and agency staff	199,607	451,524
	<u>2,756,193</u>	<u>2,982,064</u>
 Total emoluments paid to staff	 <u>2,399,421</u>	 <u>2,331,980</u>

One employee received employee benefits (excluding employer pension costs) of more than £60,000 in the band £70,000 to £79,999 (2020: 1). Also, one employee received employee benefits (excluding employer pension costs) of more than £60,000 in the band £90,000 to £99,999 (2020: 1).

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 £289,896 (2020: £276,148).

Staff numbers

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

	2021	2020
	No.	No.
Support in Services	100.5	102.2
Housing	2.5	2.5
Support	7.5	8.3
Governance	3.5	4
	<u>114</u>	<u>117</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.

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

7. TANGIBLE FIXED ASSETS

	Land and Buildings £	Office Equipment £	Totals £
COST			
At 1 April 2020	74,987	5,237	80,224
Disposals	-	-	-
At 31 March 2021	74,987	5,237	80,224
DEPRECIATION			
At the start of the year	2,500	3,272	5,772
Charge for the year	625	818	1,443
Eliminated on disposal	-	-	-
At the end of the year	3,125	4,090	7,215
NET BOOK VALUE			
At the end of the year	71,862	1,147	73,009
At the start of the year	72,487	1,965	74,452

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Debtors	395,694	303,940
Prepayments and accrued income	42,734	58,000
Other Debtors	10,500	6,703
	448,928	368,643

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Creditors	104,402	22,592
Other Creditors	31,263	6,467
Accruals and deferred income (note 9.1)	689,520	351,334
	825,185	380,394

9.1 Deferred Income

	2021 £	2020 £
Deferred income reconciliation:		
Brought forward at start of year	107,985	92,589
Released In Year	(60,000)	(55,000)
Deferred In Year	143,370	70,396
Carried forward at end of year	191,355	107,985

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

10. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	2021	2020
	£	£
Operating leases which expire:		
Within one year	32,900	48,024
Within one to five years	-	23,092
	32,900	71,116

11. ANALYSIS OF NET ASSETS OF FUNDS

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	73,009	73,009
Net current assets	1,300,231	1,300,231
	1,373,240	1,373,240

11.1. ANALYSIS OF NET ASSETS OF FUNDS – Prior Year

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	74,451	74,451
Net current assets	1,194,955	1,194,955
	1,269,406	1,269,406

AURORA OPTIONS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

12. MOVEMENT IN FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
UNRESTRICTED FUNDS					
General fund	1,192,388	3,792,712	(3,688,880)	-	1,296,220
Designated funds					
Consultancy & Tendering (a)	9,770	-	-	-	9,770
Public Relations (b)	67,250	-	-	-	67,250
	<u>77,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,020</u>
TOTAL FUNDS	<u>1,269,408</u>	<u>3,792,712</u>	<u>(3,688,880)</u>	<u>-</u>	<u>1,373,240</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; and
- (b) A Public Relations Fund used to improve and create effective PR, and expanded during the year to include company development.

12.1. MOVEMENT IN FUNDS – Prior Year

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
UNRESTRICTED FUNDS					
General fund	1,142,213	3,980,170	(3,929,995)	-	1,192,388
Designated funds					
Consultancy & Tendering	46,400	-	(36,630)	-	9,770
Public Relations	67,250	-	-	-	67,250
	<u>113,650</u>	<u>-</u>	<u>(36,630)</u>	<u>-</u>	<u>77,020</u>
TOTAL FUNDS	<u>1,255,863</u>	<u>3,980,170</u>	<u>(3,966,625)</u>	<u>-</u>	<u>1,269,408</u>

13. RELATED PARTY DISCLOSURES

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

14. ULTIMATE CONTROLLING PARTY

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

AURORA OPTIONS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

15. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	Total	Total
	2021	2020
	£	£
Net income for the reporting period	103,832	13,545
Adjustments for:		
Depreciation	1,443	1,481
(Increase) in debtors	(109,348)	(46,917)
Increase/(decrease) in creditors	515,280	(120,832)
	<u>511,207</u>	<u>(152,723)</u>

16. POST BALANCE SHEET EVENTS

Aurora Options and Lewisham Nexus Service will be merging on 31st October 2021. This will involve Aurora Options being dissolved as a Company and Charity; this is a business decision to minimise disruption and cost. We will be trading as Aurora-Nexus from 1st November 2021 under Lewisham Nexus charity and company registration numbers.