Registered Number 10515074

Aspire (CRP) Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2018

Aspire (CRP) Ltd 2018 Accounts
Registered Number 10515074

ASPIRE (CRP) LIMITED

Directors

The directors who served during the year were:

A S Webb (appointed on 7 December 2016)
N A Wittman (appointed on 7 December 2016)
R P Auty (appointed on 7 December 2016)

Auditors

BDO LLP
Ransomes Europark
Ipswich
Suffolk
IP3 9SJ

Registered Office

Council Offices,
London Road,
Saffron Walden,
United Kingdom
CB11 4ER

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

The directors present their report together with the audited financial statements for the period ended 31 March 2018

PRINCIPAL ACTIVITIES

The principal activity of the company is the ownership of a 50% share in Chesterford Research Park.

REVIEW OF BUSINESS

The Company was formed as a private company limited by shares on 7 December 2016. On 3rd May 2017 Uttlesford District Council loaned Aspire (CRP) Limited the sum of £47,250,000 to enable it to form Chesterford Park Limited Partnership with Aviva Life and Pensions UK Limited and for the new partnership to acquire the investment property at Chesterford Research Park, Little Chesterford, CB10 1XL.

Results and performance

During the period ending 31 March 2018 the company fulfilled its principal activities and achieved an operating deficit of £3.189M before tax.

ACCOUNTING FRAMEWORK

The company has taken advantage of the small companies' exemption and has adopted FRS101 'Reduced Disclosure Framework' for this report.

DIRECTORS REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

EMPLOYEES

The company has no employees other than directors, who did not receive any remuneration.

KEY PERFORMANCE INDICATORS (KPIs)

The current KPIs relate to the performance at Chesterford Research Park as at 31 December 2017

Net asset value (NAV)	£ 87,377,317
Fair market value of assets	£ 87,000,000
Annual Property Return	5.29%
Annual Rent	£ 6,109,557
No. of tenancies	58
Void % based on area	10.66%

FUTURE DEVELOPMENTS

The Directors expect the speculative redevelopment of Building 60 to generate significant interest from potential tenants. In addition, once the country has got past March 2019 the likelihood of new tenants coming to the park, with some requiring new buildings, will significantly increase.

PRINCIPAL RISKS AND UNCERTAINTIES

The Partnership's exposure to different types of risk is limited by the nature of its business as follows:

Market risk
The Company's exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments.
Market risk is managed by ongoing proactive asset management.

Credit risk
The Company does not have a significant exposure to credit risk as receivables are mainly short-term trading items. The Company's investment at Chesterford Research Park is managed by the Fund Manager, Aviva Investors Global Services Limited, and professional managing agents who have responsibility for the prompt collection of amounts due.

The risk of tenant default is managed by ensuring that a dedicated credit control team is engaged in collecting the quarterly rent from tenants as soon as it falls due. The two largest tenants represent 38.90% of the Research Park's income for the year to 31 December 2017.

Cash at bank is held with financial institutions with good credit ratings.

Operational risk
Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of Aviva plc's and subsidiaries' ('Aviva Group") approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Park's investments.

Liquidity risk
Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The Partnership does not have a significant exposure to liquidity risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS101 'Reduced Disclosure Framework' and applicable law. Under company law the directors must not approve the financial statements unless they are satisfies 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 and apply them consistently
- Make judgements 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;
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue business

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

AUDITORS

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

APPROVAL

The Directors report was approved by order of the board on 5th September 2018.

ASWebb

Mr A S Webb

Director

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ASPIRE (CRP) LIMITED

Opinion

We have audited the financial statements of Aspire (CRP) Limited ("the Company") for the period ended 31 March 2018 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 101 *Reduced Disclosure Framework* (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 2018 and of its loss for the period 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Eagles (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Ipswich

5th September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

Statement of Profit and Loss and Other Comprehensive Income

	Note	**For the period ending 31 March 18 £'000**
Rental Income*		1,854
Other Income**		837
Management time recharge	1	(42)
Other costs	1	(297)
Financing costs - Interest payable	2	(1,726)
Fair Value adjustment	2	(2,695)
Long-term asset write out	4	(1,121)
Profit / (Loss) before tax		**(3,189)**
Corporation tax	3	(68)
Other comprehensive income		0
Profit / (Loss) for the year after Taxation		**(3,256)**

*rental income is made up of Aspire (CRP) Limited's share of rental income received from Chesterford Park Limited

** Other income is made up of a one-off release of deposit funds from Chesterford Park Limited

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Statement of Financial Position

	Note	As at 31 March 18 £000
Long Term Assets		
Investments	4	43,706
Current Assets		
Debtors: amounts falling due within one year	5	602
Cash in bank		1,729
TOTAL ASSETS		**46,037**
Current Liabilities		
Creditors: amounts falling due within one year		
- Corporation tax due		(68)
- Other creditors	5	(1,752)
Long Term Liabilities		
Loan from UDC		(47,473)
TOTAL LIABILITIES		**(49,293)**
TOTAL NET ASSETS		**(3,256)**
Equity		
Negative retained earnings		(3,256)
TOTAL RESERVES		**(3,256)**

Statement of Changes in Equity

	£'000
Balance at 7 December 2016*	**0**
Profit / (Loss) for the period	(3,256)
Balance at 31 March 2018	**(3,256)**

*the company was established on the 7 December 2016 with £1 share capital.

Cashflow Statement

Under FRS 101 the company has taken the exemption for the cashflow statement. Cashflow activities are shown in the consolidated accounts of the parent.

The accounts are prepared in accordance with the provisions applicable to entities subject to the small entities regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5th September 2018

A S Webb

On behalf of the Board of Directors

NOTES TO THE ACCOUNTS

Company Information – The Group

The financial statements contain information about Aspire (CRP) Limited as an individual company and do not contain consolidated group financial information. The company has taken advantage of the exemption due to Uttlesford District Councils' Statement of Accounts containing the group accounts as the parent in which these accounts are consolidated and this is publically available.

The draft accounts of the parent of which the consolidated accounts can be found on Uttlesford District Councils Website and are published by 31 May each year.

ACCOUNTING POLICIES

P1 Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

P2 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

P3 Parent Company

The Company is a wholly owned subsidiary of Uttlesford District Council which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of Uttlesford District Council for the year ended 31 March 2018. These accounts are published on the Council's website.

P4 Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

1. A statement of cash flows and related notes
2. The requirement to produce a balance sheet at the beginning of the earliest comparative period
3. The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group
4. Capital management disclosures
5. The effect of future accounting standards not adopted
6. Business combination disclosures
7. Disclosures in relation to impairment of assets
8. Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)

P5 Investments in joint ventures

Investment in subsidiary undertaking, associates and joint ventures are stated at Fair Value.

P5 Financial instruments

Financial liabilities are initially measured and carried at fair value. Annual charges for interest payable are debited to the Statement of Profit and Loss and Other Comprehensive Income based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

P6 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits which are presented as cash at bank and in hand in the statement of financial position. Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

P7 Revenue recognition

Rental income - rent receivable from Chesterford Park Limited a joint venture which is set up for the management of Chesterford Research Park and its associated rent owed to the company in accordance with the legal agreement.

Turnover comprises amounts arising from the provision of the entity's ordinary activities after deducting VAT and other tax based on those amounts.

Income and expenditure is accounted for in the year the activity takes place, not when cash payments are made or received. Where income and expenditure has been recognised but cash not paid or received, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

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Other notes to the accounts

1. Breakdown of costs in the profit & Loss

	For the period ending 31 March 18	
	£'000	£'000
Management time		
- Directors of Aspire	34	
- Financial services supplied by UDC	8	
Total management costs		**42**
Other costs		
- Legal and Tax advice	296	
- Fees and Bank charges	1	
Total other costs		**297**
		339

2. Interest payable and similar charges

	For the period ending 31 March 18
	£'000
Interest on Long term liabilities	1,724
Interest on Short term Liabilities	2
Fair Value adjustment of investment	2,695
Total Financing expense	**4,421**

3. Tax on profit on ordinary activities

	For the period ending 31 March 18
	£'000
Loss per accounts	(1,901)
Non deductable transactions	2,258
Taxable amount at 19%	**357**
Corporation tax in the UK	**68**

4. Investments

	As at 31 March 18 £'000
Initial investment in joint venture	47,522
Reduction fair value of investment	(2,694)
Write out of Stamp Duty land Tax contribution*	(1,121)
	43,706

*Agreement to pay stamp duty land tax for the joint venture, this amount represents 50% paid on behalf of Aviva

5. Debtors and Creditors

	As at 31 March 18 £'000
Debtors	
- Aspire share of Q4 rental income	541
- VAT to be reclaimed	61
	602
Creditors	
- Interest payable to UDC	1,724
- Professional fees	28
	1,752

6. Audit Fees

Audit fees for the period ending 31 March 2018 were £13,000, BDO LLP were appointed as auditors during the period.

7. Key Assumptions

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually valuated based on future expectations that are believed to be reasonable.

In applying the accounting policies the management is of the opinion that there are no critical judgments involved that could have a significant effect on the financial statements.

The carrying amount of the investment on the balance sheet of £43,706,000 is estimated at fair value. Fair value is based on the predicted value of the Chesterford Park Limited Joint Venture asset value, where the investment is held, and is subject to market volatility.