

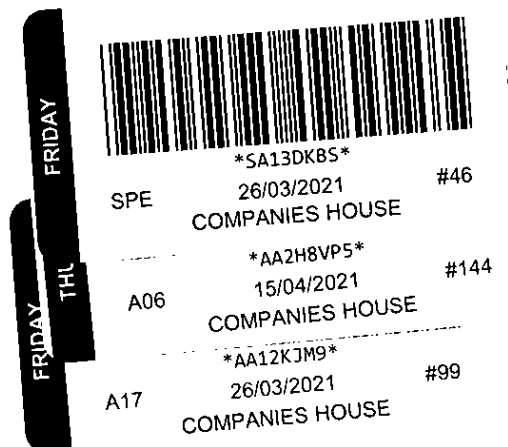


Registered Number 10515074

Aspire (CRP) Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



Aspire (CRP) Ltd
2019/20 Accounts

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)

Non-Executive Directors who served during the year were:

Alan Jones (appointed on 10 July 2017)
Mary Lines (appointed on 10 July 2017)

Auditors

BDO LLP
16 The Havens
Ransomes Europark
Ipswich
Suffolk
IP3 9SJ

Registered Office

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

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DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report together with the audited financial statements for the year ended 31 March 2020

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 3 May 2017 Uttlesford District Council loaned Aspire (CRP) Limited the sum of £47.250m 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.

A further £5million has been invested, £3m of which was in 2019/20 financial year, to support the on-going business plan of developing the Chesterford Research Park site and refitting existing buildings to encourage growth and re-lets.

The fair market value has dropped by 1.5% but this should increase as the building works are completed in later 2020.

The return has increased by 0.61% over the 3 years and has stayed stable at 5.9% for the financial years 2018/19 to 2019/20.

Rental income has grown in line with current lease agreements by £228k with the total tenancies staying stable at 34, this is due to increase once the Newnham Building works are complete, see Future Developments section on page 4 for further information.

During the year ended 31 March 2020 the company fulfilled its principal activities and achieved an operating profit of £1.869m after tax adjustments reducing the negative retained earnings from £2.7m down to £0.8m, the company expects to have positive retained earnings by the end of the 2020/21 financial year.

ACCOUNTING FRAMEWORK

The company has taken advantage of the small companies' exemption and has adopted FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2020

EMPLOYEES

The company has no employees other than Directors. The Directors did not receive any remuneration.

KEY PERFORMANCE INDICATORS (KPIs)

The current KPIs relate to the performance at Chesterford Research Park, the joint venture that Aspire (CRP) holds a 50% share of, as at 31 March 2020 comparing with the figures from the previous years' accounts:

	2017/18	2018/19	2019/20
Net asset value (NAV)	£ 87,377,317	£92,564,741	£102,320,000
Fair market value of assets	£ 87,000,000	£89,200,000	£100,050,000
Annual Property Return	5.29%	5.90%	5.90%
Annual Rent	£ 6,109,557	£6,625,498	£6,853,085
No. of tenancies	58	34	34
Void % based on area	10.66%	16.42%	16.36%

FUTURE DEVELOPMENTS

Covid-19 has affected the timetable for delivery of the Newnham Building. Completion is now expected in late 2020 (previously early Summer 2020). The Directors expect the speculative redevelopment of the Newnham Building (previously known as Building 60) to be fully pre-let ahead of the revised completion date. Three quarters of the building is let and the final part is on offer. The letting of the Gonville Building (previously known as Building 200 when occupied by Illumina) has been agreed and Lonza Pharma and Biotech have taken a 15 year lease with full occupation scheduled for the second quarter of 2020. The balance sheet remains in a deficit position due to the original costs of purchase and initial fair value assessment; however the deficit has been reduced by the profit after tax adjustments of £1,869,000. The Directors expect the company to show a profit on the balance sheet by 31 March 2021.

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 39.30% of the Research Park's income for the year to 31 March 2020.

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

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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.

Covid-19

The pandemic has had an impact, both positive and negative on the park. On the positive side, Diagnostics for the Real World (DRW) developed a fast test for Covid-19, which attracted nationwide interest and publicity. On the negative side, some of the smaller businesses have encountered cash flow issues when rent payments are due. However on the March quarter rent due date 91% of rent due was received, which is consistent with normal trading.

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 year. 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 FRS102. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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.

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APPROVAL

The Directors report was approved by order of the board on 4 March 2021

A handwritten signature in black ink, appearing to read 'AS Webb', written in a cursive style.

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 year ended 31 March 2020 which comprise Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the 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 Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Emphasis of matter –Valuation of investments

We draw attention to note 4, which explains that as a result of the impact of the outbreak of the Novel Coronavirus (COVID-19) on the market, the Company's property valuer has advised that less certainty, and a higher degree of caution, should be attached to their valuation than would normally be the case. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

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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 year 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 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 Directors 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 Directors

As explained more fully in the Statement of Directors Responsibilities, 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 on 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, UK
24 March 2021

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 Ref	For the year ended 31 March 20 £'000	For the year ended 31 March 19 £'000
Management time recharge	1	(40)	(77)
Other costs	1	(24)	(32)
Financing costs - Interest payable	2	(2,082)	(1,918)
Fair Value gain / (loss)	2	1,877	576
Share of profits in joint venture**		2,058	2,106
Profit / (Loss) before tax		1,789	655
Corporation tax	3	80	(92)
Profit / (Loss) for the year after Taxation		1,869	563

** This is the net rental return from Chesterford Research Park joint venture

• **Statement of Financial Position**

		As at 31 March 20	As at 31 March 19
	Note Ref	£'000	£'000
Long Term Assets			
Investments	4	51,160	46,282
Current Assets			
Debtors: amounts falling due within one year	5	478	590
Cash in bank		2,449	2,274
TOTAL ASSETS		54,087	49,146
Current Liabilities			
Creditors: amounts falling due within one year			
- Corporation tax due		-	(80)
- Other creditors	5	(1,920)	(1,768)
Long Term Liabilities			
Loan from UDC		(52,991)	(49,991)
TOTAL LIABILITIES		(54,911)	(51,839)
TOTAL NET ASSETS		(824)	(2,693)
Equity			
Negative retained earnings		(824)	(2,693)
TOTAL RESERVES		(824)	(2,693)

Statement of changes in equity

	2019/20	2018/19
	£'000	£'000
Opening Balance at 31 March	(2,693)	(3,256)
Profit / (Loss) for the period	1,869	563
Closing Balance at 31 March	(824)	(2,693)

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

Cashflow Statement

Under FRS 102 the company has taken the exemption for the cashflow statement.

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The financial statements were approved and authorised for issue by the board and were signed on its behalf
on 4 March 2021

A handwritten signature in black ink, appearing to read 'A S Webb', with a stylized, cursive script.

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 accounts of the parent of which the consolidated audited accounts can be found on Uttlesford District Councils Website and are published by 31 July each year. This is subject to change for the 2019/20 accounts.

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 102 – "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

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 based on the arrangement for on-going support from Uttlesford District Council as the parent company 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 2020. 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 102. Therefore these financial statements do not include:

1. A statement of cash flows and related notes
2. Disclosures in respect of financial instruments other than disclosures required as a result of recording financial instruments at fair value

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P5 Investments in joint ventures

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

P6 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.

P7 Cash and cash equivalents

Cash comprises of cash in 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.

P8 Revenue recognition

Share of profits is the net 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 during the previous financial year the company deregistered for VAT therefore costs for the period from the point of deregistering for VAT were included in the turnover.

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 and Loss statement

	For the year ended 31 March 20 £'000	For the year ended 31 March 19 £'000
Management time		
- Directors of Aspire	25	65
- Financial services supplied by UDC	15	12
Total management costs	40	77
Other costs		
- Legal and Tax advice	23	31
- Fees and Bank charges	1	1
Total other costs	24	32
	64	109

2. Interest payable and similar charges

	For the year ended 31 March 20 £'000	For the year ended 31 March 19 £'000
Interest on Long term liabilities	2,082	1,918
Fair Value adjustment of investment	(1,877)	(576)
Total Financing Expense	205	1,342

3. Tax on profit on ordinary activities

	For the year ended 31 March 20 £'000	For the year ended 31 March 19 £'000
Business profits	2,123	2,215
Deductions and reliefs	(2,123)	(1,794)
Taxable amount at 19%	0	421
under/(over) accrual from previous year	(80)	12
Corporation tax in the UK	(80)	92

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4. Investments

Assets

	2019/20	2018/19
	£'000	£'000
Opening Balance 1 April	46,282	43,706
Further investment	3,000	2,000
Investment in joint venture	49,282	45,706
Gain/(loss) in fair value of investment	1,878	576
Closing Balance 30 March	51,160	46,282

The fair value has been arrived at on the basis of valuation of the partnership account undertaken on behalf of Chesterford Park (General Partner) Limited by CBRE Ltd as at 31 March 2020.

If the investment were stated at historical cost basis rather than fair value the amounts would have been as follows:

	2019/20	2018/19
	£'000	£'000
Opening Balance 1 April	48,401	46,401
Further investment	3,000	2,000
Closing Balance 30 March	51,401	48,401
Fair value loss to date	(241)	(2,118)

Liabilities

The fair value of the liability is equal to the carrying value.

Valuation uncertainty

The outbreak of the Coronavirus (COVID-19) has impacted global financial markets. The valuations are therefore reported by the external valuers on the basis of 'material valuation uncertainty,' which indicates that less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

5. Debtors and Creditors

	As at 31 March 20 £'000	As at 31 March 19 £'000
Debtors		
- Aspire share of Q4 profits	478	591
	478	591
Creditors		
- Interest payable to UDC	1,902	1,752
- Professional fees	18	16
	1,920	1,768

6. Audit Fees

Audit fees for the period ended 31 March 2020 is estimated at £15,000 including VAT; BDO LLP has been appointed as auditors for these financial statements.

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 £51.160million 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.

8. Capital Commitments

The business plan for Chesterford Research Park gives details of the future potential plan of the park and the estimated future investments by the company, although fulfilling the business plan is an on-going contractual obligation in capital expenditure for the company to date there are no firm timescales for the funds to be drawn down. Therefore no Capital commitments are shown in the accounts for 2019/20.

9. Related Parties and Joint ventures

Joint venture

Name of undertaking	Registered Office	Nature of Business	% Share
Chesterford Park Limited Partnership	England & Wales	Property Investment	50% Share

Related Party Transactions

Related Parties Transactions	Nature of Relationship
Uttlesford District Council	Sole Shareholder

Description of Transactions	Income		Payment	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Loan	3,000	2,518	-	-
Interest on loan provided	-	-	1,932	1,891
Support Recharges	-	-	40	77

Related Parties Transactions	Nature of Relationship
Chesterford Park Limited Partnership	50% share

Description of Transactions	Income		Payment	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Net share of profit/Net rental income	2,058	2,106		
Further Investment			3,000	2,000