



The Board of Aspire (CRP) Limited
Report to Governance Audit and Performance Committee
27 September 2018

Introduction

The company Aspire (CRP) Ltd (company number 10515074) was incorporated as a wholly owned subsidiary of Uttlesford District Council on 7 December 2016 with three Directors being appointed, all of whom are employees of Uttlesford District Council. The directors are

- Nicola Wittman
- Richard Auty
- Adrian Webb

Following an interview process on 10 July 2017 Cabinet appointed two Non-Executive Directors to serve on the board of Aspire (CRP) Ltd to support the Directors. The two Non-Executive Directors are

- Mary Lines MBE – a significant amount of public sector experience through her time leading the Essex Probation Service
- Alan Jones – a very successful businessman and entrepreneur

In November 2017 two of the Directors and the two Non-Executive Directors undertook and completed the Non-Executive Directors' Association one day training course.

As a Board we have met on four occasions to help steer the company through its early stages. At each meeting we discuss items specific to the company and we also review the upcoming papers for the Chesterford Park (GP) Ltd Board Meeting.

Chesterford Park (GP) Ltd is the company that owns the Park and in which Aspire (CRP) Ltd has a 50% share.

The Board has appointed Grant Thornton as tax advisors and BDO as auditors. One of the first pieces of work was to request Grant Thornton to undertake a review of the tax position of Aspire (CRP) Ltd to ensure we were optimising our tax position. We are pleased to report that the review identified no issues and reaffirmed the advice given by Hogan Lovells as part of the purchase process.

Performance

At the first Board meeting the Non-Executive Directors were given a presentation by the Directors of how the purchase of Chesterford Research Park came about, the assumptions made and the forecast for income and expenditure through the year. Set out below is the account for the year 15 May 2017 – 14 May 2018

Income		£	£	£
	One-off			
	Main UDC Loan	47,250,000		
	Bridging Loan	60,000		
	Building 60 Loan pt1	223,000		
	Released Escrow funds	837,000		
			48,370,000	
	On-going			
	Q1 (7/13ths of a full quarter)	269,689		
	Q2	502,596		
	Q3	541,006		
	Q4	478,014		
			1,791,305	
	Total Income			50,161,305
	Expenditure			
	One-off			
	Completion price	45,000,000		
	Stamp Duty	1,985,756		
	Q2 running costs	312,752		
	Capital costs Building 60	223,000		
	Bridging Loan repayment with interest	61,828		
	Purchase legal costs	254,534		
			47,837,870	
	On-going			
	Main loan interest payment to UDC	1,890,000		
	Interest payment on building 60 loan	9,287		
	UDC staff time repayment	41,667		
	Chairman's Dinner tickets	202		
	Bank charges	224		
	Tax Advisers	30,733		
			1,972,112	
	Total Expenditure			49,809,982
	Retained by Aspire (CRP) Ltd			351,323



The first year includes a number of one-offs which can be excluded from the forecast on-going. The Non-Executive Directors have seen the original financial modelling that was presented to the Council as part of the purchase process and can comment on a number of the forecasts

- That the company would receive income of £2m. In the 46 weeks of income that made up this year the income received at each quarter totalled £1,791,305 which when extrapolated gives a full year forecast of £2,025,000 which is as forecast.
- The Council would receive income from the loan at 4% totalling £1,890,000 and we can confirm that this sum was paid on the due date to the Council.
- The Council would receive recompense from the company for the time spent on company business by the Directors. We can confirm that the sum of £41,667 was paid to the Council at year end.

In addition, the Council received as forecast £837,000 from one of the park tenants. This money was held in Escrow for the fit out of Building 300. The fit out did not happen and in accordance with the time scales the money was released back into the general account. This income has meant the company was able to refund the Council the legal costs associated with the purchase.

At the end of the first twelve months the company has retained the sum of £351,323 which the Directors believe is sufficient to enable continued operation.

After taking into account the cost of borrowing, the Council in the year ending 31 March 2018 made a surplus of £1,427,000 from its investment in Aspire (CRP) Limited (46 weeks).

The Future

The account for the year ended 31 March 2018 has been prepared and has been audited by BDO in the late summer and then submitted to Companies House before the September deadline.

The Directors and Non-Executive Directors continue to work together to bring forward new tenants to the park and therefore additional income to the Council.

The Board understands the Council continues to look for other investment opportunities and the Non-Executive Directors would welcome the opportunity to be involved in giving guidance, advice and support in evaluating suitable opportunities as they arise.

Alan Jones
Non-Executive Director
Chairperson

Mary Lines MBE
Non-Executive Director

Adrian Webb
Director

Nicola Wittman
Director

Richard Auty
Director