

Charity Registration No. 1103321

Company Registration No. 05018628 (England and Wales)

**ABS REALISATIONS LIMITED**  
**(Formerly Abbots Bromley School Limited)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 2019**

MONDAY



\*A9FZMIT6\*

A07

19/10/2020

#192

COMPANIES HOUSE

# ABS REALISATIONS LIMITED

## CONTENTS

---

	Page
Company information	1
Director's report (incorporating the Strategic report)	2 - 11
Independent auditor's report	12 - 14
Financial statements of the company	15 - 41

# **ABS REALISATIONS LIMITED**

## **COMPANY INFORMATION**

---

### ***DIRECTORS AND ADVISORS***

#### **Directors**

Mrs P A Norvall (Chairman)  
Mr S James LLB Hons (Deputy Chairman)  
Mr S Bourne  
Revd. S C Davis BSc MA MIET (resigned 8<sup>th</sup>  
October 2020)  
Mrs H M Graham BA Hons  
Mr R H Knight (Resigned 30<sup>th</sup> November 2018)  
Professor Dr K R Luther  
Mr R Mansell (Resigned 29<sup>th</sup> November 2018)  
Mr I Whyte DO (Resigned 30<sup>th</sup> September 2019)

#### **Charity No.**

1103321

#### **Company No.**

05018628

#### **Principal Address and Registered Office**

High Street  
Abbots Bromley  
Staffordshire, WS15 3BW

#### **Key Management Personnel**

##### **Head Bursar**

Mr R D Udy (to 31<sup>st</sup> August 2019)  
Mr F P M van Driel (to 31<sup>st</sup> August 2019)

#### **Auditors**

Grant Thornton UK LLP  
Victoria House, 199 Avebury Boulevard,  
Milton Keynes, MK9 1AU

#### **Solicitors**

Flint Bishop & Barnett  
St Michaels Court  
St Michaels Lane  
Derby, DE1 3HQ

Mills and Reeve  
78-84 Colmore Row  
Birmingham B3 2AB

#### **Insurance Brokers**

Marsh  
Capital House  
1 to 5 Perry Mount Road  
Haywards Heath  
West Sussex, RH16 3SY

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

The directors present their report and financial statements for the year ended 31st August 2019 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

The change of name of the company to ABS Realisations Limited was formally registered at Companies House on 17<sup>th</sup> June 2020. This directors' report will refer to the school operations as either Abbots Bromley School, or the school. The new title will be used in circumstances which relate to the limited company and charity.

### ***Cessation of School Operations***

During the year to 31st August 2018, the governing body of Abbots Bromley School was in negotiation with the Woodard Corporation in relation to a deal that would allow the school to leave the Woodard group in order to access external funding. In March 2018 the Abbots Bromley governors and trustees of Woodard reached a formal agreement on the terms of the arrangement under which separation would be achieved. One of the principal terms was for the school to repay loan funding provided by Woodard to support the school in September 2013 and May 2014, included as a creditor to the Woodard company at 31st August 2017. Between September 2017 and November 2017, the school received donations from The Guild of S. Mary and S. Anne which were used to support the operational budget (including capital projects) for the academic year 2017/2018. In April and May 2018, the school received donations from a benefactor which were used to repay the loan funding provided by Woodard at that date, along with some working capital for the school. The governing body remain very grateful for the generous donations.

The school continued to seek sufficient funding to allow the governing body of Abbots Bromley to become directly responsible for its future, but this did not prove possible and in late November 2018 the Abbots Bromley governing body concluded that the immediate risk to the future of the school, outside the Woodard group, was unacceptable and they decided to remain part of the Woodard family. The school entered into new loan agreements with Woodard to support school operations. At a meeting in late February 2019 the directors of Abbots Bromley School took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school as from the end of the Summer Term. After exploring initial options, an announcement was made in March 2019 and with all viable alternatives having been explored, trading operations finished as at 31st August 2019.

In the period since December 2018, the school has entered into a series of new loan agreements with Woodard for provision of financial support. This support was initially provided to support school operations, and after the cessation announcement further funds have been provided to allow for the orderly closure of school operations and settlement of contractual liabilities.

In April 2020, a sale of the land and buildings was agreed, in principle, with a buyer. We understand that the intention of the proposed buyer is to offer education from the site. ABS Realisations Limited will remain in operation to finalise the process of closure, and to recover funds outstanding.

With the continuing support of the Woodard Corporation the Abbots Bromley School Limited company will remain open allowing for an orderly closure of the school and repayment of contractual liabilities. As outlined in note 1(b), the Abbots Bromley governing body has prepared and approved these financial statements on the basis that there will be an 'orderly realisation' of assets and not as a going concern. The reason for adopting this basis is that there is no intention that assets of the company will be used to generate future economic benefits. More details can be found in later sections on going concern, and in the accounting policies section (Note 1b).

The governors of Abbots Bromley School are grateful for the support provided by all staff, parents, pupils, alumni, benefactors suppliers and others during the period of significant disruption leading up to and following the announcement that school operations would cease. The decision was not taken lightly and all relevant factors were taken into account in reaching the conclusion. The governors thank all who have been associated with the school for their support over the years.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1103321. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation (Woodard) and participate in the election of its board of management and are committed to its charitable objects.

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

---

Notes 35 and 36 provide details of connected charities.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The charitable company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 15<sup>th</sup> January 2004 amended by Special Resolution(s) dated 25<sup>th</sup> January 2006, 28<sup>th</sup> April 2009, and 23<sup>rd</sup> June 2009. They permit funds to be managed in such a manner as the directors see fit, if such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

#### **Governing Body**

The governors are the directors and charitable trustees of the charitable company and comprise the governing body of ABS Realisations Limited and are elected to hold office for five years. The charitable company is governed by the governing body which operated using several committees. Membership of the committees during 2018-19 is outlined on page 10. The governing body met twenty times during the year.

#### **Governors**

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Board. Governors are recruited on the basis of nominations and the governing body look to ensure a mix of skills. Governors were provided with induction training and a wider programme of training events is organised by Woodard.

Where possible the governors considered that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

#### **Volunteers**

Governors are volunteers providing their time for free to support the governance of the charitable company. The charitable company had several volunteer groups helping the company to raise funds, assisting in school events and providing other help where required.

#### **Organisational Management**

The charitable company is governed by the governing body which delegated work to several committees. Membership of each committee during the year is outlined on page 10. The directors determine the general policy of the company. The committees that operated during the year were:

- The Audit Committee to oversee internal control and risk
- The Education Committee to oversee the academic performance of the school and educational policy
- The Estates Committee to develop the estates strategy, including capital developments and maintenance of the buildings
- The Finance and General Purposes Committee to consider budgets and financial reports
- The Health and Safety Committee to oversee management of the health & safety arrangements at the school
- The Marketing Committee to review marketing activities and liaison with the local community
- The Strategy Committee to review the strategic direction of the charitable company

The day to day management of the company was delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

the senior staff. The Head oversaw the recruitment of all educational staff, whilst under delegated authority the Bursar oversaw the recruitment of administrative and non-teaching support staff. The Head and Bursar were invited to attend governors' meetings.

The remuneration of key management personnel was set by the governing body. The appropriateness and relevance of the remuneration policy was reviewed annually.

### **Group Structure and Relationships**

The charitable company has a wholly owned non-charitable subsidiary, Dandelion Enterprises Limited (formerly Abbots Bromley School Enterprises Limited), the activities and trading of which were letting school premises and facilities. Notes 35 and 36 provide details of connected charities.

The school developed links with a wide range of organisations to ensure the widest possible access to facilities and schooling. The school was a member of GSA, ICS, BSA and ISBA and worked with peer groups to ensure the highest standards of quality and performance. The Guild of S. Mary and S. Anne, and a strong parental support group, the Friends of Abbots Bromley, have always been generous in supporting the work of the school and we greatly appreciate their support.

## **CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

### **Charitable Objects**

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural, and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury. The charitable objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested.

In setting our objectives and planning our activities the governors have considered the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education and on fee-charging. ABS Realisations Limited is a charitable trust which seeks to benefit the public through the pursuit of stated aims.

### **Aims and Intended Impact**

Abbots Bromley School was a boarding and day independent school for pupils from the ages of 3 to 18. It aimed to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may have been in academic subjects but could just as easily be reflected in success in art, drama, sport, music, or dance.

### **Primary objectives**

Whilst operational, the primary objectives of Abbots Bromley School to fulfil these aims were:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from an Abbots Bromley School education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

### **Strategies to achieve the primary objectives**

These included the on-going review by the management team, overseen by the governing body, of the curriculum, the quality of teaching and learning, and a series of selective marketing initiatives all aimed at pupil recruitment and retention, and boarding. On-going changes to both the GCSE and A-level curriculum

# ABS REALISATIONS LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2019

presented challenges and 'Continuing Professional Development' for all staff was therefore again given a high priority. Managing finance and growing pupil numbers was a main objective.

### Principal Activities of the Year

The principal activity of the charitable company was the delivery of education to pupils ranging from 3 to 18 years of age. The school also ran a number of summer school activities and was open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2018-19		2017-18	
Senior school	219	92 Boarders	190	78 Boarders
Preparatory school	45	2 Boarders	40	2 Boarders
Pre-Preparatory school	16		17	
Total	280		247	

	2018-19		2017-18	
	Boys	Girls	Boys	Girls
Senior school	57	162	29	161
Preparatory school	21	24	13	27
Pre-Preparatory school	9	7	10	7
Total	87	193	52	195

### Public Benefit

Within the objects, the school aimed to create an environment to nurture children, to get the best from them and allow them to develop and fulfil their potential. We provided children with a first-class independent education and a wide range of sporting and artistic opportunities. The public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In the furtherance of these aims the ABS Realisations governors, as the charity directors, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for directors attending training courses: any private benefits to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

### Bursaries & Scholarships

In 2018-19 the charitable company awarded total concessions including scholarships and bursaries of £1,186,629 (2018: £1,232,878) representing 26.6% of gross fees (2018: 28.4%).

#### Bursaries

The governors viewed the bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees could access the education offered. The bursary awards were available to all who met the general entry requirements and were made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means, we used the methodology promulgated by the Independent Schools' Bursars Association. The bursary awards ranged from 10% to 60% remission of fees. We also had a hardship fund that supplemented bursary awards to pay for co-curricular activities, equipment and school trips. A small number of bursaries were not necessarily means tested, but made the academic and social benefits of education affordable.

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

---

### **Scholarships**

The purpose of the scholarship awards was to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships were awarded on the basis of the individual's academic potential or evidence of exceptional abilities which would contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. Scholarships were awarded with a fixed remission of fees of between 10% and 20%. Where further assistance was required, scholarship awards may have been supplemented by a means tested bursary. The progress of pupils receiving scholarships was reviewed at least annually to ensure their progress was in line with their abilities.

The charitable company also offered financial assistance to siblings, to children of members of the armed forces, to children of clergy and to children of former pupils. Parents paying early were offered an early payment discount for fees paid one year in advance.

All criteria and policies relating to concessions were kept under review and were updated when necessary.

### **Employment Policy**

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

### **Investment Policy and Objectives**

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. For the 'Advanced Fees Scheme', the aim is to match the return on investments with the maturation profile of the related liability to provide schooling in future years.

Investment activities are managed in line with the requirements of the Trustee Act 2000. The governors have appointed UBS Wealth Management (UK) Limited as investment manager. The investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

## **STRATEGIC REPORT**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Significant Events**

The significant event in the year was the regrettable announcement that school operations would cease at 31<sup>st</sup> August 2019.

#### **The Promotion of Education**

During the year, we educated an average of 280 children between the ages of 3 and 18. The school provided a very high standard of education and this was validated in review of the academic results, measurements of added value and through external inspection. The school offered a broad curriculum and educated children with a wide range of ability.

#### **Academic Results**

Abbots Bromley School celebrated the best GCSE results in recent history with 25% of all papers taken awarded the top grade (Level 9) and 60% of all papers achieved Level 9-7. One student achieved eight Level 9s with two others having six results at Level 9.

The A Level results were similarly impressive with allowing many students to progress to their universities of choice including Durham University, University College London, Imperial College London, Bristol University, Edinburgh University, Chicago University, Hong Kong University and the Royal Academy of Dance.

These results are the culmination of years of hard work, not only from the students but their families, staff and the governing body.



# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

---

### **Facilities**

With the closure of the school operations the facilities including all buildings and related assets were cleared of contents and secured.

### **Art, Music and Drama**

One of the important elements of any Woodard school is the concentration on arts, music, and drama. Abbots Bromley School was involved in all aspects of these activities and more, with the renowned Alkins School of Dance achieving outstanding levels of performance.

Abbots Bromley was consistently recognised for the quality of its creative arts with pupils undertaking Musical Grade examinations in a wide range of instruments as well as LAMDA Speech and Drama awards. The school's choirs (Cadence and Cantoria) were well respected with many pupils choosing to take part in a wide programme of music.

The school provided the opportunity for pupils to take part in numerous ensembles, chamber groups, acapella choirs and other groupings alongside the large choirs, orchestras, wind, and jazz bands, rehearsing, and performing on a regular basis during the year.

Ambitious musical and theatre productions provided an opportunity for pupils to take part in performances to appreciative and full audiences.

### **Sport**

The enormous range of sports offered at Abbots Bromley School reflected the importance given to sporting activity and physical education. Boys were an established part of the Preparatory School and Sixth Form and therefore the sporting offering had developed and included a number of mixed gender sporting activities. The school's membership of the Independent Schools' Association provided an ever-growing number of sporting opportunities and competitions.

### **Wider Education**

Abbots Bromley provided opportunities for former pupils to come back to school to gain valuable work experience. The school also developed strong links with Keele University as one of the governing body, Prof Richard Luther served as Dean of Internationalisation on the University Executive Committee.

Pupils also gained valuable experience through a range of trips and exchanges.

As a Duke of Edinburgh's Award Directly Licenced Centre, the awards continued to be an extremely popular extra-curricular activity with students from participating in the Bronze, Silver and Gold Awards with support from staff and students.

Woodard is involved in the development of academies as part of the government's initiative. In support of this project all Woodard schools have provided support, where asked, through provision of educational expertise, professional support with regard to educational policy and other matters.

### **Community**

Through development and provision of access to new facilities, the charitable company remained at the heart of the community. Facilities made open to the public included:

- The school swimming pool, which was made available to local swimming clubs and organised bodies as well as to local comprehensive schools (including the Village Swim Club and Parents and Toddlers sessions).
- The music and dance facilities which were made available to a wide range of local music societies.
- The sports pitches were recognised as being of high quality and were regularly used by the village football and cricket clubs for training and matches.
- The sports hall was used annually for the expanded Winter Bazaar when local enterprises as well as school enterprises raised money for charity.
- The equestrian centre is open to other pony clubs and members of the local community and now has its own pony club accreditation.

### **Outreach**

The charitable company has good links with the community especially Abbots Bromley Sporting

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

---

Association and Abbots Bromley Neighbourhood Development Scheme.

As well as this formal partnership, we also had an informal arrangement with the local primary school in the village and students attended dance performances and used facilities from time to time.

### **Charitable Activities**

The major charity event was the SASP (South African Schools Project) and the charitable company sent two Sixth Form students annually to work in the school that was supported in South Africa.

### **Fundraising Performance**

Grants and donations totalled £60,000 (2018: £3.1m). The school has been very grateful for all donations and thanks all benefactors for their support.

### **Investment Performance against Objectives**

Investments in quoted securities are limited to the restricted and endowed funds. These are managed through Woodard whose investment policy is to preserve the capital value of investments and maximise the return and income on all investments. These are currently managed by UBS Wealth Management (UK) Limited. None of the directors has any beneficial interest in that company.

## **FINANCIAL REVIEW**

### **Results for the Year**

Total incoming resources for the year amounted to £3,986,082 (2018: £6,793,476) and the net (deficit)/surplus for the year was £(2,291,730) (2018: surplus of £1,690,600). Included in gross incoming resources in 2017-18 were two large donations: an individual benefactor donated £2.2m (including Gift Aid) and the Guild of S. Mary and S. Anne £0.8m.

This overall (deficit) reflected the difficult trading experienced through the year, and was representative of the challenges faced by the school in managing to generate sufficient income to allow it to continue. Net fee income for the year was up by 5.7% on 2017-18 (£3.1m in 2017-18 to £3.27m in 2018-19), reflecting the increase in pupil numbers from 247 in 2017-18 to 280 in 2018-19.

The charitable company was helped considerably each year by the support of the Guild of S. Mary and S. Anne charity, which provided £60,000 (2018: £60,000) in scholarship grants.

The trading company continued to hire out Abbots Bromley School's facilities during vacations and outside school hours, as well as undertaking commercial activity on behalf of the charitable company and externally. In March 2017 the charitable company entered into a service level agreement for school lettings management with a company named 'School Lettings Solutions'. Because of their marketing efforts, the school increased the residential lettings revenue over the summer period significantly. The trading company made a trading surplus of £31,467 (2018: loss of £(4,046)).

In addition to the very substantial benefits the charitable company brought to its pupils, and to the local community and society through the education we offered, the bursary programme created a social asset without cost to the Exchequer.

ABS Realisations provides a pension to some staff under the terms of the TPT Retirement Solutions Growth Plan. As a result of this pension scheme being underfunded, ABS Realisations Limited is committed to contributing to a recovery plan. During the course of the year the charitable company made contributions to the recovery plan of £25,151 and the recognised liability under the plan reduced by £46,579, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 31.

### **Reserves Level and Policy, and Financial Viability**

It has been the charitable company's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim was to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the charitable company without the requirement to have recourse to sales of tangible fixed assets, or use of the charitable company's readily realisable investments supporting unrestricted funds. Unrestricted (negative) funds decreased to £(4,801,256) from £(2,508,096) at 31<sup>st</sup> August 2018.

The governors invested substantial sums into upgrading the school buildings in recent years and had a

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

continuing programme of refurbishment, development, and investment to maintain excellent teaching facilities for pupils. In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in the charitable company. The charitable company has negative free reserves of £(7,032,510) (2018: negative (£4,948,309)) at the year-end (note 27). The charitable company's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The governing body is responsible for the identification and management of risks. The major risks, to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. A formal review of the risk management processes is undertaken annually.

The governors considered the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the charitable company. Allied to this strategic imperative was the risk that cash flow will be insufficient to allow the charitable company to operate successfully. Events during the year demonstrated that this was the most significant risk, as school operations were forced to cease when available cash flow became too tight.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the charitable company was impressive and the risks associated with all activities were minimised by thorough planning and risk assessment.

The principal risks to which the charitable company was exposed, in the view of the governing body at 31<sup>st</sup> August 2019, included those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas are:

- the market in which the charitable company operated is highly competitive and the charitable company monitored developments in education to ensure that pupils always received a first class, holistic and varied educational experience in the school
- the governing body always endeavoured to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the charitable company meets expectations
- the charitable company operated in a highly regulated sector, including in matters of child protection, and appropriate professional advisers were appointed to ensure that the school could keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensured that up to date information and support was available
- the charitable company operated in an increasingly litigious environment and the governing body appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that all requirements and challenges are met
- all organisations face difficult economic conditions and directors and senior managers in the charitable company keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the governing body and charitable company include:

- strategic planning, financial forecasting, budgeting and management accounting
- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- formal written policies
- authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

The charitable company planned strategically having regard for risk. The executive provided the governing body with regular reports including details of the principal strategic objectives and the activity to achieve those objectives. The charitable company recorded significant achievements and updated the

# ABS REALISATIONS LIMITED

## DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019

---

governing body and Woodard on short-term plans.

The strategy was discussed between the governing body and the Woodard Board.

### Financial risk management objectives and policies

The charitable company uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The charitable company's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders, and partaking in pooled banking organised via Woodard.
- Interest rate risk – the charitable company finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

### GOING CONCERN

As noted earlier in this report, these financial statements have been prepared and approved on the basis that there will be an 'orderly realisation of assets', and not as a going concern. This realisation will take place with support from the Woodard Corporation which has agreed to provide sufficient financial assistance to ABS Realisations Limited to allow for the orderly closure of the school and repayment of contractual liabilities.

As a result of adopting the orderly realisation of assets basis for preparing these financial statements, all assets have been reviewed and their value has been adjusted to that of their recoverable value, after costs, or their book value, whichever is the lower. Liabilities are not adjusted. Further details related to the adoption of the orderly realisation of assets basis can be found in the accounting policies on page 18.

### FUTURE PLANS

Following the announcement that school operations were to cease at the end of the academic year 2018-19, the priorities for the governing body are:

1. To ensure that the school could be managed to achieve an orderly closure.
2. To ensure that all pupils, parents, staff, suppliers, supporters and the local community are treated fairly.
3. To work with funders to manage the closure process, ensuring that the charitable company is able to meet liabilities.
4. To work with external agencies to market the land and buildings as being for sale in order to bring in sufficient funds to address liabilities. The preference of the governing body is to sell the school to an educational body, if possible.

### DIRECTORS

The directors who served during the year, and the committees of which they were members, are:

Mrs P A Norvall (Chairman)	Attends sub-committees as required
Mr R Mansell (to 29 <sup>th</sup> November 2018)	Audit, Estates, Finance & General Purposes, Marketing and Strategy
Mr S Bourne	Finance & General Purposes and Strategy
The Reverend S C Davis	Strategy
Mrs H M Graham	Finance & General Purposes, Marketing and Strategy
Mr R H Knight (to 30 <sup>th</sup> November 2018)	Finance & General Purposes and Strategy
Mr S James	Estates, Finance & General Purposes, Health & Safety and Strategy
Professor Doctor K R Luther	Education and Strategy
Mr I Whyte (Resigned 30 <sup>th</sup> September 2019)	Education and Strategy

# ABS REALISATIONS LIMITED

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2019**

None of the directors has any beneficial interest in the company. ABS Realisations buys trustees and officers insurance on behalf of the directors.

### **AUDITORS**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

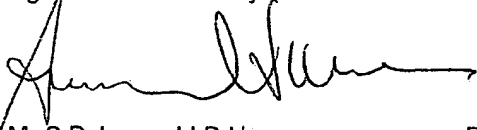
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors of ABS Realisations Limited on 15<sup>th</sup> October 2020, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Mr S R James LLB Hons  
15<sup>th</sup> October 2020

Director

# **ABS REALISATIONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABS REALISATIONS LIMITED YEAR ENDED 31ST AUGUST 2019**

---

### **Qualified Opinion**

We have audited the financial statements of ABS Realisations Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2019, which comprise the Consolidated and Charitable Company Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets 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, except for the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including the group's 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 and Charities Act 2011.

### **Basis for qualified opinion**

In the prior year, our auditor's report included a qualified opinion as a result of management being unable to provide us with sufficient appropriate audit evidence to support various transactions and balances in the financial statements. In particular, we were not provided with adequate supporting documentation for material transactions recognised as deductions from income arising from scholarships and bursaries which are included in school fees receivable and other income recognised as turnover for the year ended 31 August 2018 and balances in respect of trade debtors included within debtors, and fees in advance recognised as deferred income included within creditors at 31 August 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. This qualified opinion in respect of the year ended 31 August 2018 remains applicable for the comparative information included in these financial statements.

As a result of the qualified opinion in respect of the financial statements for the year ended 31 August 2018, we have been unable to obtain sufficient appropriate audit evidence in respect of the opening balances at 1 September 2018 and consequently we were unable to determine whether any adjustments to the Statement of Financial Activities for the year ended 31 August 2019 in respect of the opening balances were necessary.

Furthermore, for the year ended 31 August 2019, following closure of the school and a change in personnel, management were unable to provide us with sufficient appropriate audit evidence in respect of the existence of students to support school fees receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and the parent 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 qualified opinion.

### **Emphasis of matter – basis of preparation of the financial statements**

We draw attention to Note 1(b) to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, trading operations of the Group finished as at 31 August 2019 and accordingly the directors have prepared the financial statements on the basis that there will be an 'orderly realisation of assets.' Our opinion is not modified in this respect of this matter.

# **ABS REALISATIONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABS REALISATIONS LIMITED YEAR ENDED 31ST AUGUST 2019**

---

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report (incorporating the Strategic Report) set out on pages 1 to 11, 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

Except for the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

### **Matters on which we are required to report by exception**

In respect solely to the issue described in the basis for qualified opinion section of our report:

- the parent charitable company's financial statements are not in agreement with the accounting records and returns;

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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.

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities Statement set out on pages 14 to 15 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

# **ABS REALISATIONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABS REALISATIONS LIMITED YEAR ENDED 31ST AUGUST 2019**

---

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Use of our report**

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

*Grant Thornton UK LLP*

Gareth Norris FCA (Senior Statutory Auditor)  
For and on behalf of Grant Thornton UK LLP,  
Statutory Auditor  
Chartered Accountants  
Milton Keynes

Date: *16 October 2020*



# ABS REALISATIONS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2019 £	Total 2018 £
<b>Incoming resources</b>						
<b>Charitable Activities</b>						
School fees receivable	2	3,277,049	-	-	3,277,049	3,100,211
Government and Local Authority grants	3	-	-	-	-	27,198
Ancillary trading income	4	477,950	-	-	477,950	371,563
<b>Other trading activities</b>						
Non-ancillary trading income	5	147,619	-	-	147,619	34,262
<b>Investments</b>						
Investment income	6	-	5,592	1,581	7,174	3,699
Bank and other interest	7	207	-	-	207	197
<b>Voluntary sources</b>						
Grants and donations	8	60,000	-	-	60,000	3,100,583
<b>Other incoming resources</b>	9	16,085	-	-	16,085	155,763
<b>Total incoming resources</b>		<b>3,978,910</b>	<b>5,592</b>	<b>1,581</b>	<b>3,986,083</b>	<b>6,793,476</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Ancillary trading expenditure	10	255,267	-	-	255,267	195,466
Non-ancillary trading expenditure		-	-	-	-	26,386
Financing costs	11	545,978	-	-	545,978	250,064
Investment expenditure		-	411	190	601	632
<b>Total deductible costs</b>		<b>801,245</b>	<b>411</b>	<b>190</b>	<b>801,846</b>	<b>472,548</b>
<b>Charitable activities</b>						
Education and grant making	10	5,470,824	(3,598)	(3,461)	5,463,765	4,631,629
<b>Total expenditure</b>		<b>6,272,069</b>	<b>(3,187)</b>	<b>(3,271)</b>	<b>6,265,611</b>	<b>5,104,177</b>
<b>Net (losses) / gains on investment assets</b>	16	-	(11,877)	(325)	(12,202)	1,300
<b>Net (expenditure) / income</b>		<b>(2,293,159)</b>	<b>(3,097)</b>	<b>4,527</b>	<b>(2,291,729)</b>	<b>1,690,601</b>
<b>Transfer between funds</b>		-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>(2,293,159)</b>	<b>(3,097)</b>	<b>4,527</b>	<b>(2,291,729)</b>	<b>1,690,601</b>
<b>Fund balances as at 1st September</b>		<b>(2,508,097)</b>	<b>118,327</b>	<b>34,869</b>	<b>(2,354,901)</b>	<b>(4,045,500)</b>
<b>Fund balances as at 31st August</b>		<b>(4,801,256)</b>	<b>115,230</b>	<b>39,396</b>	<b>(4,646,630)</b>	<b>(2,354,900)</b>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 18 to 41 form part of these financial statements.

# ABS REALISATIONS LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2019 £	Total 2018 £
<b>Incoming resources</b>						
<b>Charitable Activities</b>						
School fees receivable	2	3,277,049	-	-	3,277,049	3,100,211
Government and Local Authority grants	3	-	-	-	-	27,198
Ancillary trading income	4	477,950	-	-	477,950	371,563
<b>Other trading activities</b>						
Non-ancillary trading income	5	-	-	-	-	11,935
<b>Investments</b>						
Investment income	6	-	5,592	1,582	7,174	3,699
Bank and other interest	7	76	-	-	76	184
<b>Voluntary sources</b>						
Grants and donations	8	60,000	-	-	60,000	3,100,583
<b>Other incoming resources</b>	9	16,085	-	-	16,085	155,763
<b>Total incoming resources</b>		<b>3,831,160</b>	<b>5,592</b>	<b>1,582</b>	<b>3,838,334</b>	<b>6,771,136</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Ancillary trading expenditure	10	255,267	-	-	255,267	195,465
Non-ancillary trading expenditure		-	-	-	-	0
Financing costs	11	476,891	-	-	476,891	250,064
Investment expenditure		-	411	190	601	632
<b>Total deductible costs</b>		<b>732,158</b>	<b>411</b>	<b>190</b>	<b>732,759</b>	<b>446,161</b>
<b>Charitable activities</b>						
Education and grant making	10	5,423,629	(3,598)	(3,461)	5,416,570	4,631,629
<b>Total expenditure</b>		<b>6,155,787</b>	<b>(3,187)</b>	<b>(3,271)</b>	<b>6,149,329</b>	<b>5,077,790</b>
Net (losses) / gains on investment assets	16	-	(11,877)	(325)	(12,202)	1,300
<b>Net (expenditure) / income</b>		<b>(2,324,627)</b>	<b>(3,097)</b>	<b>4,527</b>	<b>(2,323,197)</b>	<b>1,694,647</b>
<b>Transfer between funds</b>						
<b>Net movement in funds for the year</b>		<b>(2,324,627)</b>	<b>(3,097)</b>	<b>4,527</b>	<b>(2,323,197)</b>	<b>1,694,647</b>
Fund balances as at 1st September 2018		(2,504,007)	118,327	34,869	(2,350,812)	(4,045,457)
<b>Fund balances as at 31st August 2019</b>		<b>(4,828,634)</b>	<b>115,230</b>	<b>39,396</b>	<b>(4,674,009)</b>	<b>(2,350,810)</b>

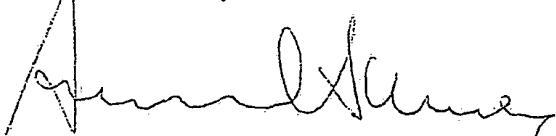
All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 18 to 41 form part of these financial statements.

# ABS REALISATIONS LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2019

	Note	Group 2019 £	2018 £	Charity 2019 £	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	15	2,114,659	2,311,414	2,114,659	2,311,414
Securities Investments	16	116,695	128,898	116,795	128,998
		<u>2,231,354</u>	<u>2,440,312</u>	<u>2,231,454</u>	<u>2,440,412</u>
<b>CURRENT ASSETS</b>					
Stock	17	-	11,678	-	11,678
Debtors	18	424,110	323,509	450,744	325,723
Cash at bank and in hand	19	288,568	11,347	205,444	10,063
		<u>712,679</u>	<u>346,534</u>	<u>656,188</u>	<u>347,465</u>
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	20	(5,399,055)	(2,953,863)	(5,370,042)	(2,950,803)
<b>NET CURRENT ASSETS</b>		<u>(4,686,377)</u>	<u>(2,607,328)</u>	<u>(4,713,854)</u>	<u>(2,603,338)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,455,022)</u>	<u>(167,016)</u>	<u>(2,482,400)</u>	<u>(162,926)</u>
<b>LONG TERM LIABILITIES</b>					
Creditors payable after one year	21	(2,050,000)	(2,000,000)	(2,050,000)	(2,000,000)
Provisions for liabilities	31	(141,508)	(187,786)	(141,508)	(187,786)
<b>NET ASSETS</b>		<u>(4,646,530)</u>	<u>(2,354,802)</u>	<u>(4,673,908)</u>	<u>(2,350,712)</u>
<b>REPRESENTED BY:</b>					
<b>CALLED UP SHARE CAPITAL</b>	26	100	100	100	100
<b>ENDOWED FUNDS</b>	27	39,396	34,869	39,396	34,869
<b>RESTRICTED FUNDS</b>	27	115,229	118,327	115,229	118,327
<b>UNRESTRICTED FUNDS</b>					
Designated fund	27	1,250	1,244	1,250	1,244
General Reserves	27	(4,802,506)	(2,509,341)	(4,829,884)	(2,505,251)
		<u>(4,646,531)</u>	<u>(2,354,802)</u>	<u>(4,673,909)</u>	<u>(2,350,711)</u>

The financial statements were approved and authorised for issue by the Board on 15<sup>th</sup> October 2020 and signed on its behalf by



S R James LLB Hons  
Company registration number 1103321  
15<sup>th</sup> October 2020

Director

The notes on pages 18 to 41 form part of these financial statements.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

---

### 1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

#### a) Basis of Accounting

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the orderly realisation of assets accounting basis where all assets have been reviewed and their value has been adjusted to that of their recoverable value, after costs, or their book value, whichever is the lower. Liabilities are not adjusted.

ABS Realisations meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities were initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 37, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

#### b) Basis of Preparation

As described in the directors' report, at a meeting in late February 2019 the directors of ABS Realisations Limited took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school as from the end of the Summer Term, and trading operations finished as at 31<sup>st</sup> August 2019.

In the period since December 2018, the school has entered into a series of new loan agreements with Woodard for provision of financial support. This support was initially provided to support school operations, and after the cessation announcement further funds have been provided to allow for the orderly closure of school operations and settlement of contractual liabilities.

In April 2020, a sale of the land and buildings was agreed, in principle, with a buyer. We understand that the intention of the proposed buyer is to offer education from the site. ABS Realisations Limited will remain in operation to finalise the process of closure, and to recover funds outstanding.

Considering the above factors, the ABS Realisations Board has prepared and approved these financial statements on the basis that there will be an 'orderly realisation of assets', and not as a going concern. This realisation will take place with support from the Woodard Corporation which has agreed to provide sufficient financial assistance to ABS Realisations Limited to allow for the orderly closure of the school and repayment of contractual liabilities.

As a result of adopting the orderly realisation of assets basis for preparing these financial statements, all assets have been reviewed and their value has been adjusted to that of their recoverable value, after costs, or their book value, whichever is the lower. Liabilities are not adjusted.

#### c) Group Accounts

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where ABS Realisations exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

---

### d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the charitable company, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held within the unrestricted reserves of the charitable company. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

### e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

### f) **Voluntary sources, Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the charitable company in case of donated services or facilities.

### g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

### h) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

### i) **Pension Costs**

The charitable company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, and TPT Retirement Solutions scheme, both of which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the TPT Retirement Solutions Growth Plan to employees other than the full-time academic staff. The TPT Retirement Solutions Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

---

for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as finance cost in the period in which it arises. More detail is given in notes 31 and 34.

### j) **Tangible Fixed Assets and Depreciation**

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings.

#### *Land and Buildings*

The directors have assessed the recoverable value of land and buildings and conclude that this is higher than the book value. For this reason, the Land and Buildings are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £2,500 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Freehold land is not depreciated

Freehold buildings	- Variable per the building and written off over the expected useful life (see note below)
Under construction	- Not to be depreciated until brought in to operation

The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost.

#### *Other Assets*

The company has undertaken a review of all assets other than land and buildings and these have been written down to an assessment of their recoverable value as evidenced by later realisation of the assets where this is possible.

In previous years, depreciation was provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Plant and equipment	- 10% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

Where tangible fixed assets were acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants were credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets was charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

ABS Realisations exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

### k) **Financial Instruments**

ABS Realisations only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### l) **Securities and Fees in Advance Investments**

Securities and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

# **ABS REALISATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019**

---

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Un-invested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

**m) Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

**n) Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

**o) Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

**p) Taxation**

ABS Realisations is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The charitable company has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatments of certain items for tax and accounting purposes. The subsidiary company distributes the majority of its profits to ABS Realisations under Gift Aid and tax liabilities are kept to a minimum.

**q) Cash flow statement**

The cash flows of ABS Realisations Limited are included in the consolidated cash flow statement of The Woodard Corporation. ABS Realisations Limited is exempt under the terms of Section 1 of FRS 102 from publishing a cash flow statement.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 2 Charitable activities - school fees receivable

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
The school fees income comprises					
Gross fees	4,463,677	-	-	4,463,677	4,333,089
Less: total scholarships, bursaries, etc.	(1,186,628)	-	-	(1,186,628)	(1,232,878)
	<u>3,277,049</u>	<u>-</u>	<u>-</u>	<u>3,277,049</u>	<u>3,100,211</u>

### 3 Government and Local Authority grants

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Early Years funding	-	-	-	-	17,934
Special Educational Needs	-	-	-	-	9,264
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,198</u>

### 4 Charitable activities - ancillary trading income

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Entrance fees and registrations	-	-	-	-	12,300
Equestrian centre	34,007	-	-	34,007	33,954
Extras	369,623	-	-	369,623	270,373
Fees in lieu of notice	-	-	-	-	6,602
Pupil transport	49,262	-	-	49,262	45,651
Sundry other income	25,058	-	-	25,058	2,683
	<u>477,950</u>	<u>-</u>	<u>-</u>	<u>477,950</u>	<u>371,563</u>

### 5 Non-ancillary trading income

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Dandelion Realisations Limited (Formerly "Abbots Bromley Enterprises Company Limited")	147,619	-	-	147,619	22,327
Ground rent	-	-	-	-	11,935
	<u>147,619</u>	<u>-</u>	<u>-</u>	<u>147,619</u>	<u>34,262</u>

### 6 Investments - investment income

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Securities investment income					
Equities	-	5,364	1,381	6,746	3,248
Fixed interest	-	228	200	428	451
	<u>-</u>	<u>5,592</u>	<u>1,581</u>	<u>7,174</u>	<u>3,699</u>

### 7 Investments - bank and other interest receivable Group

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Bank interest	<u>207</u>	<u>-</u>	<u>-</u>	<u>207</u>	<u>197</u>
Company					
Bank interest	<u>76</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>184</u>



# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 8 Voluntary sources - grants and donations

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Guild of S. Mary and S. Anne	60,000	-	-	60,000	836,000
Gift from benefactor (2018 : includes Gift Aid claim) *	-	-	-	-	2,250,000
Other donations	-	-	-	-	14,583
	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>3,100,583</u>

\* The benefactor restricted the larger part of her donation (£1.85m) to repay the outstanding loan from the Woodard Corporation. The loan plus accumulated interest, totalling £1,850,468 was repaid on 23 May 2018.

### 9 Other incoming resources

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Deposits non-refundable	<u>16,085</u>	<u>-</u>	<u>-</u>	<u>16,085</u>	<u>155,763</u>

### 10 Analysis of expenditure

#### a) Total expenditure

	Staff costs (note 12) £	Depreciation (note 15) £	Support Costs £	Total 2019 £	Total 2018 £
<b>Costs of raising funds</b>					
Ancillary trading expenditure	-	-	255,267	255,267	195,466
Non-ancillary trading expenditure	-	-	-	-	26,386
Financing costs	-	-	545,978	545,978	250,064
Investment expenditure	-	-	601	601	632
<b>Total cost of generating funds</b>	<u>-</u>	<u>-</u>	<u>801,846</u>	<u>801,846</u>	<u>472,548</u>
<b>Charitable expenditure</b>					
<i>Education and grant making</i>					
Teaching	2,268,401	12,297	346,943	2,627,641	2,187,234
Welfare	262,253	1,863	718,148	982,264	900,639
Premises	211,025	225,734	486,510	923,269	807,412
School administration and governance (note 10c)	276,073	-	441,133	717,206	671,294
Grants awards and prizes (note 10b)	-	-	(7,031)	(7,031)	1,190
Movement in pension recovery plan (note 32)	-	-	(24,184)	(24,184)	(3,000)
	<u>3,017,752</u>	<u>239,895</u>	<u>1,961,519</u>	<u>5,219,166</u>	<u>4,564,769</u>
Governance costs	-	-	244,598	244,598	66,859
<b>Total costs of education and grant making</b>	<u>3,017,752</u>	<u>239,895</u>	<u>2,206,117</u>	<u>5,463,764</u>	<u>4,631,628</u>
<b>Total expenditure</b>	<u>3,017,752</u>	<u>239,895</u>	<u>3,007,963</u>	<u>6,265,610</u>	<u>5,104,176</u>

#### b) Grants awards and prizes

Abbots Bromley School makes awards to individual families to support schooling.

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
<b>From endowed funds</b>					
Grants and prizes paid	<u>29</u>	<u>(3,598)</u>	<u>(3,461)</u>	<u>(7,031)</u>	<u>1,190</u>

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### c) Total resources expended include:

ABS Realisations Limited (formerly Abbots Bromley School Limited) reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. One director was reimbursed during the year (2018: 1).

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
<i>Auditors' remuneration</i>					
- audit of the financial statements	42,500	-	-	42,500	27,500
- additional audit fees in respect of prior years	15,000	-	-	15,000	1,500
<i>Depreciation of tangible fixed assets:</i>					
- owned by the Charitable Company	233,820	-	-	233,820	235,513
- held under finance leases	6,075	-	-	6,075	4,050
<i>Operating lease rentals:</i>					
- other assets					
Cost of stock recognised as an expense					
Reimbursement of governors expenses	266	-	-	266	221

### 11 Financing costs

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
Interest payable - Bank overdraft	22,378	-	-	22,378	13,909
Interest payable - Woodard Corporation	61,971	-	-	61,971	54,711
Interest payable - APB Group Limited	106,438	-	-	106,438	99,562
Interest payable - Lloyds Bank plc	-	-	-	-	17,084
Interest payable - financial lease	109	-	-	109	217
Interest payable - HM Revenue & Customs	3,654	-	-	3,654	394
Interest payable - Teachers' Pensions Scheme	1,672	-	-	1,672	85
Bank charges	5,841	-	-	5,841	3,966
Debt Collection Fees	10,853	-	-	10,853	-
Provision for bad and doubtful debt	322,243	-	-	322,243	58,136
Pension scheme financing cost	3,065	-	-	3,065	2,000
Subsidiary Corporation Tax	7,753	-	-	7,753	-
	<u>545,978</u>	<u>-</u>	<u>-</u>	<u>545,978</u>	<u>250,064</u>

### 12 Staff costs

	2019 £	2018 £
The aggregate payroll costs for the year were:		
Wages and salaries	1,999,199	2,037,291
Social security costs	179,213	185,552
Other pension costs	211,831	205,167
	<u>2,390,243</u>	<u>2,428,010</u>
Redundancies / Settlement agreements	516,262	11,500
Agency staff / contractors	111,249	112,682
	<u>3,017,753</u>	<u>2,552,192</u>

Included in staff costs are redundancy or termination payments totalling £516,262 (2018: £11,500). The amount outstanding at the year-end was £516,262 (2018: £11,500)

The Headmaster and Bursar are classed by the school as being the key management personnel.

None of the governors received remuneration or other benefits from Abbots Bromley School or from any connected body.

	2019 £	2018 £
Aggregate employee benefits of key management personnel	<u>200,916</u>	<u>145,934</u>

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 12 Staff costs (continued)

The number of higher paid employees whose emoluments were £60,000 or more was:

	2019 No.	2018 No.
£60,000 - £69,999	2	0
£70,000 - £79,999	2	1
£130,000 - £139,999	1	0

The increase in higher paid employees from 2018 to 2019 is due to redundancy payments made in 31 August 2019.

The average number of employees during the year calculated on a head count basis was 87 (2018: 93)

	2019 No.	2018 No.
Teaching	50	52
Welfare	10	15
Premises	13	12
Support	14	14
	<u>87</u>	<u>93</u>

### 13 Directors

None of the directors (or any persons connected with them) received any remuneration during the year. No scholarships were awarded to children of directors attending the school.

### 14 Taxation

ABS Realisations Limited (formerly Abbots Bromley School Limited) meets the definition of a charitable company for UK corporation tax purposes. The school is potentially exempt from taxation in respect of income or capital gains to the extent that such income or capital gains are applied exclusively to charitable purposes. The charitable company owns the entire share capital of Dandelion Realisations Limited, (formerly Abbots Bromley School Enterprises Limited) and taxable profits arising in that company are donated to its parent under a Gift Aid arrangement.

In the year to 31 August 2019, Dandelion Enterprises Limited did not gift aid its profits up to the parent and consequently a corporation tax liability of £7,753 has been provided in the consolidated accounts.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 15 Tangible fixed assets

Group and company	Freehold land and £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Under Construction £	Total £
<b>Cost</b>							
At 1 September 2018	2,541,025	1,627,718	281,307	96,625	29,884	52,800	4,629,359
Additions	39,410	479	3,252	-	-	-	43,140
Transfers	-	52,800	-	-	-	52,800	-
Disposals	-	-	-	-	-	-	-
<b>At 31 August 2019</b>	<b>2,580,434</b>	<b>1,680,997</b>	<b>284,559</b>	<b>96,625</b>	<b>29,884</b>	<b>-</b>	<b>4,672,499</b>
<b>Depreciation</b>							
At 1 September 2018	824,983	1,118,863	268,086	83,608	22,406	-	2,317,945
Charge for the year	60,514	233,485	73,880	12,297	7,478	-	239,895
Disposals	-	-	-	-	-	-	-
<b>At 31 August 2019</b>	<b>885,497</b>	<b>1,352,348</b>	<b>194,206</b>	<b>95,905</b>	<b>29,884</b>	<b>-</b>	<b>2,557,839</b>
<b>Net book value</b>							
<b>At 31 August 2019</b>	<b>1,694,937</b>	<b>328,649</b>	<b>90,353</b>	<b>720</b>	<b>-</b>	<b>-</b>	<b>2,114,659</b>
<b>Net book value</b>							
<b>At 31 August 2018</b>	<b>1,716,042</b>	<b>508,856</b>	<b>13,221</b>	<b>13,017</b>	<b>7,478</b>	<b>52,800</b>	<b>2,311,414</b>

All assets are used for charitable purposes.

#### Finance leases and hire purchase contracts

Included in motor vehicles is an asset held under a finance lease in the prior year end which had net book value of £6,075 in 2018. Depreciation of £4,050 was charged during the previous year.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 16 Securities investments

	Unrestricted £	Restricted £	Endowed £	Total 2019 £	Total 2018 £
<b>Group investments</b>					
At 1 September 2018	-	88,911	39,986	128,897	127,598
New money invested	-	-	-	-	-
Reinvested income	-	-	-	-	-
Amounts extracted	-	-	-	-	-
Investment management fees	-	-	-	-	-
Realised gains / (losses) on investments	-	-	-	-	-
Unrealised gains on investments	-	(11,877)	(325)	(12,202)	1,300
Uninvested cash	-	-	-	-	-
<b>Group investments at 31 August 2019</b>	<b>-</b>	<b>77,034</b>	<b>39,661</b>	<b>116,695</b>	<b>128,898</b>
<b>Investments in subsidiaries</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
<b>Company investments at 31 August 2019</b>	<b>100</b>	<b>77,034</b>	<b>39,661</b>	<b>116,795</b>	<b>128,998</b>
<b>Investments comprise:</b>					
<i>Listed investments</i>					
UK Fixed Interest	-	5,459	19,346	24,805	23,915
UK Equity	-	71,575	20,315	91,890	104,983
<i>Unlisted investments</i>					
Land and buildings	-	-	-	-	-
Non UK Equity	-	-	-	-	-
UK Cash	-	-	-	-	-
<b>Group investments at 31 August 2019</b>	<b>-</b>	<b>77,034</b>	<b>39,661</b>	<b>116,695</b>	<b>128,898</b>
<b>Investments in subsidiaries</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
<b>Company investments at 31 August 2019</b>	<b>100</b>	<b>77,034</b>	<b>39,661</b>	<b>116,795</b>	<b>128,998</b>

ABS Realisations Limited (formerly Abbots Bromley School Limited) owns all of the share capital of Dandelion Realisations Limited (formerly Abbots Bromley School Enterprises Limited), a company incorporated in England and Wales. Further details are provided in note 32.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets and deposits.

The main Securities Investments and Fees in Advance Scheme Investments deposits are managed for ABS Realisations Limited by UBS Wealth Management (UK) Limited. All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

	2019 £	2018 £
iShares GBP Corporate Bond	13,844	12,827
J O Hambro Cap Management UK Equity	61,135	72,525
Threadneedle Investment Fund ICVC UK	22,780	24,396
Artemis Income Units Class 1	5,502	5,705
United Kingdom 4% Stock 07/03/2024	5,459	5,544
United Kingdom 4% Stock 07/03/2025	5,459	5,544
	<b>114,179</b>	<b>126,541</b>

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 17 Stock

	Group 2019 £	2018 £	Company 2019 £	2018 £
Heating Oil	-	11,678	-	11,678
	<u>-</u>	<u>11,678</u>	<u>-</u>	<u>11,678</u>

### 18 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
School fees receivable	264,450	211,196	264,450	211,196
Trade debtors	22,986	6,190	-	-
VAT recoverable	-	-	-	-
Prepayments and accrued income	59,442	90,292	59,442	90,292
Other debtors	77,232	15,831	77,232	15,831
Amounts due from subsidiary company	-	-	49,620	8,404
	<u>424,110</u>	<u>323,509</u>	<u>450,744</u>	<u>325,723</u>

### 19 Cash at bank and in hand

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts held by commercial banks	288,417	8,963	205,293	7,679
Petty cash	151	2,384	151	2,384
	<u>288,568</u>	<u>11,347</u>	<u>205,444</u>	<u>10,063</u>

### 20 Creditors: Amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Overdraft	-	732,104	-	732,104
Bank loan	-	467,500	-	467,500
Net obligations under finance leases	-	1,667	-	1,667
Deposits from parents	422,098	435,467	422,098	435,467
Fees received in advance of term	132,634	235,712	132,634	235,712
Fees in Advance scheme	-	434,939	-	434,939
Trade creditors	101,420	276,715	101,420	276,715
Taxation and social security	79,532	48,675	71,779	48,675
VAT payable	13,660	60	-	-
Other creditors	481,109	38,104	481,109	38,104
Accruals	208,516	181,169	200,916	178,169
Deferred income	-	80,000	-	80,000
Amounts due to Subsidiary	-	-	-	-
Amounts due to parent company	3,960,086	21,751	3,960,086	21,751
	<u>5,399,055</u>	<u>2,953,863</u>	<u>5,370,042</u>	<u>2,950,803</u>

Bank loans and overdrafts are secured by an unlimited all monies guarantee as part of an overdraft facility under a pooled banking arrangement organised by the Woodard Corporation. Woodard and two other subsidiaries subscribe to the pooled banking arrangement and overdraft facility with Lloyds TSB Bank plc, which has a gross limit of £2.75 million. As a result of this arrangement Woodard and the subscribers are able to obtain borrowings at a lower rate of interest.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 20 Creditors: Amounts falling due within one year (continued)

#### Overdraft:

The agreement with Lloyds Bank plc is an overdraft facility of up to a maximum aggregate amount of £700k, the rate of interest on the loan is 2.5% per annum above the Bank of England's base rate.

#### Bank loan:

In September 2011 the school agreed a 10 year loan with Lloyds TSB Bank plc for the amount of £1.7 million secured against the school buildings.

#### Summary of movements in deferred income:

	Group and Company	
	2019	2018
	£	£
Balance at 1 September	80,000	65,000
Additional amounts	-	80,000
Amounts transferred to Statement of Financial Activities	(80,000)	(65,000)
Balance at 31 August	-	80,000

Deferred income arises due to sponsorships for pupils being paid in advance.

#### Amounts due to parent company:

The company has entered into various loan agreements with Woodard Corporation. On the 13th December 2018 the company entered into a loan agreement with a loan facility to borrow up to a maximum of £700,000. On 21st February 2019 the company entered into an agreement with a loan facility up to a maximum of £750,000. On 15th April 2019 the company entered into an agreement with a loan facility up to a maximum of £1,000,000. On 2nd August 2019 the company entered into an agreement with a loan facility up to a maximum of £1,600,000. The purpose of these facilities was for the company to borrow in order to meet its Cash Flow shortfalls. Woodard Corporation is not bound to monitor or verify the application of any amount borrowed under the facilities.

The rate of interest on the loan is 4.5% per annum above the Bank of England's base rate.

	Group and Company	
	2019	2018
	£	£
Loan	3,900,000	-
Accumulated interest	61,971	-
Levy	-	24,269
Carbon Liability	(1,445)	10,478
Other costs	(440)	440
	3,960,086	35,187
Less:		
Staff costs	-	13,436
	3,960,086	21,751

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 21 Creditors: Amounts falling due after more than one year

	Group and Company	
	2019	2018
	£	£
Finance loan	1,000,000	1,000,000
Medium term credit	1,050,000	1,000,000
Net obligations under finance leases	-	-
Deposits received in advance	-	-
Fees in Advance scheme	-	-
	<u>2,050,000</u>	<u>2,000,000</u>

#### *Finance loan*

The school entered into an agreement with the APB Group for a loan facility of up to maximum aggregate amount of £1.0 million on the 18th June 2015. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each loan is 4.5% per annum above the Bank of England's base rate.

#### *Medium-term credit*

The school entered into an agreement with APB Group for a medium-term credit of up to maximum aggregate amount of £100k on the 4th August 2016, on the 10th August 2016, on 15th August 2016, on 21st October 2016, on 24th October 2016 and also on 26th October 2016 the school entered into further agreements with the APB Group for a loan facility of up to a maximum aggregate amount of £100k. The school also entered into an agreement with the APB Group for a medium-term credit of up to maximum aggregate amount of £200k on 26th November 2016 and on 9th December 2016 the school entered into a further agreement with the APB Group for a medium-term credit of up to a maximum aggregate amount of £200k. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each credit facility is 4.5% per annum above the Bank of England's base rate.

### 22 Bank loan

	Group and Company	
	2019	2018
	£	£
Due within 1 year	-	467,500
	<u>-</u>	<u>467,500</u>



# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 23 Fees in advance scheme

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2019 £	2018 £
Within 1 year	-	434,939
	<u>-</u>	<u>434,939</u>
<b>Summary of movements in liability</b>	<b>2019 £</b>	<b>2018 £</b>
Balance at 1 September	434,939	404,328
New contracts	-	560,064
Repayments	-	-
Amounts used to pay fees	(434,939)	(529,453)
Balance at 31 August	<u>-</u>	<u>434,939</u>

### 24 Finance lease obligations

	2019 £	2018 £
Within 1 year	-	1,667
	<u>-</u>	<u>1,667</u>

### 25 Commitments under operating lease

	2019 £	Other 2018 £
Expiry date:		
Within 1 year	138,417	117,826
Within 1 to 2 years	49,056	112,233
Within 2 to 5 years	95,718	211,327
After 5 years	26,906	61,488
	<u>310,097</u>	<u>502,874</u>

The future minimum commitments under non-cancellable operating leases are £310,097 (2018: £583,040).

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 26 Share capital

	2019 £	2018 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 Ordinary Shares of £1 each	100	100

### 27 Funds

Abbots Bromley School's funds are analysed under the following headings:

#### a) Endowed funds

Following cessation of school operations advice will be sought on the future use of the funds.

##### Special endowment fund

The special endowment fund of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

The specific endowment fund is:

	2019 £	2018 £
<b>Permanent endowments</b>		
<b>Prize fund</b>	39,396	34,869
This fund comprises a number of gifts to provide prizes.		

#### b) Restricted funds

Following cessation of school operations advice will be sought on the future use of the funds.

##### Benefit fund

The purpose of the benefit fund, which is held in Trust by Woodard Schools (Midland Division) Limited under a declaration of trust dated 22 March 1960 and amended rules dated 5 December 1975, is to assist former pupils either by contributing towards the school fees of their children or dependents or in such manner (being exclusively charitable) as the trustees consider for their benefit. The fund has been built up by voluntary contributions. The school council has the power to determine on behalf of the trustees which pupils shall receive benefit and the nature and extent of such benefit.

##### Scholarship fund

The scholarship fund is made up of the Bridgman Bequest and the Mary & Charlotte Lowe Exhibition. The purpose of the Bridgman Bequest, which was set up from the proceeds of the sale of certain books left to the school, is to fund expenditure of the school library. The Mary & Charlotte Lowe Exhibition is a bursary fund bequeathed in 1897, the beneficiary of which is to be a girl, whose parents are residents in Abbots Bromley.

	2019 £	2018 £
Benefit Fund	34	-
Bridgman Bequest	96,996	100,288
Mary & Charlotte Lowe Exhibition	3,378	3,217
	<u>100,408</u>	<u>103,505</u>

#### Minor funds

Minor funds represents grants and donations to provide prizes for the pupils at the school.

	2019 £	2018 £
Buckle Scholarship	5,022	5,022
Millington Memorial	5,341	5,341
Woods Prize	4,319	4,319
Saren Prize	140	140
	<u>14,822</u>	<u>14,822</u>

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 27 Funds (continued)

#### c) Unrestricted funds

Unrestricted funds represents accumulated income from the school's activities and other sources that are available for the general purposes of the school.

*Designated fund is represented by:*

	2019 £	2018 £
Appeal fund	1,244	1,244
Bursary fund	6	-
	<u>1,250</u>	<u>1,244</u>

#### Appeal fund

The Appeal Fund is designated for special projects.

#### Bursary fund

The purpose of the Bursary Fund, which was established from the Harden Legacy and the Brenda Bower St. Elphin's Trust, is to provide or contribute towards the provision of education at the school; scholarships, bursaries and prizes for pupils at the school; and in such other manner (being exclusively charitable) as the school council shall consider to be for the benefit of the school.

#### General reserve

Unrestricted funds are spent or applied at the discretion of the school council to further any of the charity's purposes.

*General reserve is represented by:*

	2019 £	2018 £
School's general reserve	(4,829,883)	(2,505,251)
Subsidiary's general reserve	27,377	(4,090)
	<u>(4,802,506)</u>	<u>(2,509,341)</u>

#### Free reserves

Free reserves are calculated as being the equity shareholders' funds per the balance sheet, less the endowed and restricted funds, less designated funds and less fixed assets held for charity use - this likely to be a negative figure.

	2019 £	2018 £
Equity shareholders' funds	(4,646,531)	(2,354,801)
Less:		
Endowed funds	39,396	34,869
Restricted funds	115,229	118,327
Less:		
Tangible assets	(2,114,659)	(2,311,414)
Investments	(116,695)	(128,898)
Free reserves	<u>(7,032,511)</u>	<u>(4,948,309)</u>

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 28 Analysis of net (liabilities) between funds to 31st August 2019

	Unrestricted £	Restricted £	Endowed £	Total 2019 £
Tangible assets	2,114,659	-	-	2,114,659
Securities investments	-	77,034	39,661	116,695
Debtors	411,619	9,453	3,039	424,110
Cash	277,952	13,920	(3,303)	288,568
Creditors payable within one year	(5,413,877)	14,822	-	(5,399,055)
Creditors payable after one year	(2,050,000)	-	-	(2,050,000)
Provisions for liabilities	(141,508)	-	-	(141,508)
	(4,801,157)	115,229	39,397	(4,646,530)
Less: share capital	100	-	-	100
	(4,801,257)	115,229	39,397	(4,646,630)

### Analysis of net (liabilities) between funds to 31st August 2018

	Unrestricted £	Restricted £	Endowed £	Total 2018 £
Tangible assets	2,311,414	-	-	2,311,414
Securities investments	-	88,911	39,987	128,898
Stocks	11,678	-	-	11,678
Debtors	317,563	4,300	1,647	323,510
Cash	(1,904,757)	1,919,407	(3,303)	11,347
Creditors payable within one year	(1,056,110)	(1,894,291)	(3,461)	(2,953,862)
Creditors payable after one year	(2,000,000)	-	-	(2,000,000)
Provisions for liabilities	(187,786)	-	-	(187,786)
	(2,507,998)	118,327	34,870	(2,354,801)
Less: share capital	100	-	-	100
	(2,508,098)	118,327	34,870	(2,354,901)

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 29 Summary of movements on major funds

	At 1 September 2018	Incoming resources	Resources expended	Transfers	Gains / (losses)	At 31 August 2019
	£	£	£	£	£	£
<b>Endowed - Permanent Prize Fund</b>	34,869	1,581	3,271	-	(325)	39,396
<b>Total endowment</b>	<b>34,869</b>	<b>1,581</b>	<b>3,271</b>	<b>-</b>	<b>(325)</b>	<b>39,396</b>
<b>Restricted funds</b>						
Benefit Fund	-	-	-	-	-	-
Bridgeman Bequest	100,288	5,592	3,187	-	(12,037)	97,030
Mary & Charlotte Lowe Exhibition	3,217	-	-	-	160	3,378
Buckle Scholarship	5,022	-	-	-	-	5,022
Millington Memorial	5,341	-	-	-	-	5,341
Woods Prize	4,319	-	-	-	-	4,319
Saren Prize	140	-	-	-	-	140
Government and LA grants	-	-	-	-	-	-
Guild of S. Mary and S. Anne	-	-	-	-	-	-
<b>Total restricted funds</b>	<b>118,327</b>	<b>5,592</b>	<b>3,187</b>	<b>-</b>	<b>(11,878)</b>	<b>115,230</b>
<b>Unrestricted funds</b>						
Appeal Fund	1,244	-	-	-	-	1,244
Bursary Fund	-	-	-	-	-	-
General Reserve	(2,509,341)	3,978,907	(6,272,068)	-	-	(4,802,501)
Pension Reserve	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-
<b>Total unrestricted funds</b>	<b>(2,508,097)</b>	<b>3,978,907</b>	<b>(6,272,068)</b>	<b>-</b>	<b>-</b>	<b>(4,801,257)</b>
<b>Total funds</b>	<b>(2,354,901)</b>	<b>3,986,080</b>	<b>(6,265,610)</b>	<b>-</b>	<b>(12,202)</b>	<b>(4,646,630)</b>

Note 27 provides details of the individual funds.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 30 Capital commitments

At 31 August 2018, the group had capital commitments as follows:

	2019	2018
	£	£
Expenditure contracted for but not provided in the accounts	<u>-</u>	<u>-</u>

### 31 Pension Schemes

#### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £202,220 (2018: £210,424) and at the year-end nil (2018 - nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

#### TPT Retirement Solutions - The Growth Plan

The school participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the school to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 31 Pension Schemes (continued)

#### TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
---------------------------------------	-----------------------	----------------------------------------------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
-----------------------------------------	-----------------------	----------------------------------------------------------

From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)
-----------------------------------------	-------------------	----------------------------------------------------------

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

#### TPT Retirement Solutions - The Growth Plan Provision

	31 August 2019 £'000	31 August 2018 £'000	31 August 2017 £'000
Present values of provision			
Present value of provision	142	188	214

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 31 Pension Schemes (continued)

Reconciliation of opening and closing provisions	Period Ending 31 August 2019 £'000	Period Ending 31 August 2018 £'000
Provision at 1 September	188	214
Unwinding of the discount factor (interest expenses)	3	2
Deficit contribution paid	(25)	(25)
Remeasurements - impact of any change in assumptions	3	(3)
Remeasurements - amendments to the contribution schedule	(27)	-
<b>Provision at 31 August</b>	<b>142</b>	<b>188</b>

Income and expenditure impact	Period Ending 31 August 2019 £'000	Period Ending 31 August 2018 £'000
Interest expense	3	2
Remeasurements - impact of any change in assumptions	3	(3)
Remeasurements - amendments to the contribution schedule	(27)	-
Contributions paid in respect of future service *	-	-

\* Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions	31 August 2019 % per annum	31 August 2018 % per annum	31 August 2017 % per annum
Rate of discount	0.97	1.68	1.20

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

#### Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	31 August 2019 £'000	31 August 2018 £'000	31 August 2017 £'000
Year 1	25	26	25
Year 2	26	26	26
Year 3	27	27	26
Year 4	27	28	27
Year 5	28	29	28
Year 6	12	30	29
Year 7	-	31	30
Year 8	-	3	31
Year 9	-	-	3
Year 10	-	-	-
	<b>145</b>	<b>200</b>	<b>225</b>

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.



# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

### 32 Subsidiaries

The Company owns all of the share capital of Dandelion Realisations (formerly Abbots Bromley School Enterprises Limited), a company incorporated in England and Wales. This company carries out trading activity on behalf of the school including commercial letting.

Dandelion Realisations Limited (formerly Abbots Bromley School Enterprises Limited) had a turnover of £147,619 (2018: £22,327), Gross Profit £108,371 (2018: Loss (£3,348)), and a profit for the year ended 31st August 2019, before taxation, of £39,219 (2018: loss of £(4,046)). At 31 August 2019 the company had shareholder's funds of £27,477 (2018: Negative (3,989)).

### 33 Consolidated Statement of Financial Activities - Comparative figures by fund type

Year Ended 31 August 2018	Unrestricted £	Restricted £	Endowed £	Total £
<b>Incoming resources</b>				
<b>Charitable Activities</b>				
School fees receivable	3,100,211	-	-	3,100,211
Government and Local Authority grants	-	27,198	-	27,198
Ancillary trading income	371,563	-	-	371,563
<b>Other trading activities</b>				
Non-ancillary trading income	34,262	-	-	34,262
<b>Investments</b>				
Investment income	6	2,503	1,190	3,699
Bank and other interest	197	-	-	197
<b>Voluntary sources</b>				
Grants and donations	1,250,115	1,850,468	-	3,100,583
Other incoming resources	155,763	-	-	155,763
<b>Total incoming resources</b>	<b>4,912,116</b>	<b>1,880,169</b>	<b>1,190</b>	<b>6,793,475</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Ancillary trading expenditure	195,466	-	-	195,466
Non-ancillary trading expenditure	26,386	-	-	26,386
Financing costs	250,064	-	-	250,064
Investment expenditure	-	429	203	632
<b>Total deductible costs</b>	<b>471,916</b>	<b>429</b>	<b>203</b>	<b>472,548</b>
<b>Charitable activities</b>				
Education and grant making	4,603,237	27,200	1,190	4,631,627
<b>Total expenditure</b>	<b>5,075,153</b>	<b>27,629</b>	<b>1,393</b>	<b>5,104,175</b>
Realised (losses) / gains on investment assets	-	-	-	-
Unrealised gains on investment assets	-	1,578	(278)	1,300
<b>Net gains / (losses) on investment assets</b>	<b>-</b>	<b>1,578</b>	<b>(278)</b>	<b>1,300</b>
<b>Net income / (expenditure)</b>	<b>(163,037)</b>	<b>1,854,118</b>	<b>(481)</b>	<b>1,690,600</b>
Transfer between funds	1,905,515	(1,904,995)	(520)	-
<b>Net movement in funds for the year</b>	<b>1,742,478</b>	<b>(50,877)</b>	<b>(1,001)</b>	<b>1,690,600</b>
Fund balances at 1st September	(4,250,574)	169,204	35,870	(4,045,500)
<b>Fund balances at 31st August</b>	<b>(2,508,096)</b>	<b>118,327</b>	<b>34,869</b>	<b>(2,354,900)</b>

# **ABS REALISATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019**

---

### **34 Contingent liabilities**

The Company, together with two fellow subsidiaries, subscribes to a pooled banking arrangement and overdraft facility with Lloyds Bank plc. This facility is secured by an unlimited all moneys guarantee from the Woodard Corporation and the subscribers to the facility. This facility includes an omnibus letter set-off covering all monies due both present and future from the Woodard Corporation and the subscribers to the facility.

The Company has been notified by TPT Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2017. As of this date the estimated employer debt for the Company was £352,644 including Series 3 liabilities. The estimated debt on withdrawal at 30 September 2019 was £247,222.88.

### **35 Ultimate Controlling Party**

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BM. The accounts of Abbots Bromley School Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

### **36 Related parties**

The Company is wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £24,578 (2018: £24,269) was paid during the year to the corporation by way of a levy to meet corporation running costs. An amount of £123,142 (2018: £174,012) was paid during the year to an employee of The Woodard Corporation to cover salary, national insurance contributions and pension costs. This is then invoiced monthly and re-paid back to the school. An amount of £0 (2018: £13,436) was still owing to the school at the year end.

The school entered into an agreement with APB Group Limited for a medium-term loan of up to a maximum aggregate amount of £100k on the 4th August 2016, on the 10th August 2016, on 15th August 2016, on 21st October 2016, on 24th October 2016 and also on 26th October 2016 the school entered into further agreements with the APB Group for a loan facility of up to a maximum aggregate amount of £100k. The school also entered into an agreement with the APB Group Limited for a medium-term credit facility of up to a maximum aggregate amount of £200k on 26th November 2016 and on 9th December 2016 the school entered into a further agreement with the APB Group for a medium-term credit of up to a maximum aggregate amount of £200k. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each credit facility is 4.5% per annum above the Bank of England's base rate. Mrs H M Graham BA Hons, Director on School Council, has a majority interest in APB Group.

The company also controls a subsidiary trading company, Dandelion Realisations Limited (formerly Abbots Bromley School Enterprises Limited; registered number 05181898), the results of which are detailed in note 32.

### **37 Accounting estimates and judgements**

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

# ABS REALISATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2019

---

### 37 Accounting estimates and judgements (continued)

#### *Pension scheme deficit reduction payments*

As explained at note 31, there is a deficit reduction plan in place in respect of Abbots Bromley School's membership of the TPT Retirement Solutions' Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

#### *Pension scheme contingent liability*

As explained at note 34, there is a contingent liability in the event that Abbots Bromley School were to withdraw its membership of the TPT Retirement Solutions' Growth Plan. The independent qualified actuaries advising the TPT Retirement Solutions in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

#### *Bad Debt Provision*

Where there is a significant doubt as to the future collectibility of amounts due to the company, a provision is made so that the amount outstanding is not over-stated in the financial statements. At 31st August 2019 all debts were provided and only those amounts which have either been paid, or for which some form of payment plan exists, remain without provision. Judgment is used to assess the likelihood of collection and the need for provision.

### 38 Post balance sheet events

In the period since August 2019, the School has entered into a series of new loan agreements with Woodard for provision of financial support.

In April 2020, a sale of the land and buildings was agreed, in principle, with a buyer. We understand that the intention of the proposed buyer is to offer education from the site. ABS Realisations Limited will remain in operation to finalise the process of closure, and to recover funds outstanding.

On 17 June 2020 the company changed its name from Abbots Bromley School Limited to ABS Realisations Limited.