

**Charity Registration No. 1103321**

**Company Registration No. 05018628 (England and Wales)**

**ABS REALISATIONS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST AUGUST 2021**

ABS REALISATIONS LIMITED

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**ABS REALISATIONS LIMITED****COMPANY INFORMATION**

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***DIRECTORS AND ADVISORS*****Directors**

Mrs P A Norvall (Chairman) (resigned 14<sup>th</sup> July 2021)  
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 (resigned 14<sup>th</sup> July 2021)  
Professor Dr K R Luther

**Charity No.**

1103321

**Company No.**

05018628

**Principal Address and Registered Office**

High Street  
Abbots Bromley  
Staffordshire, WS15 3BW

**Auditors**

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

**Solicitors**

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

Schofield and Associates  
The Corn Exchange  
14 Station Road  
Knowle  
Solihull B93 0HT

Else Solicitors LLP  
First Avenue  
Burton upon Trent  
Staffordshire  
DE14 2WE

**Insurance Brokers**

Marsh  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

**Surveyors**

Savills UK  
55 Colmore Row  
Birmingham B3 2AA

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021**

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The directors present their report and financial statements for the year ended 31st August 2021 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***

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 31<sup>st</sup> August 2019.

Despite agreeing a deal for the sale of the land and buildings to an educational buyer in April 2020 and granting a six month extension to the original date for completion, the buyer was unable to complete the contract, and the deposit was forfeited in January 2021. The trustees of ABS Realisations retain the property and are seeking an alternative buyer.

In the period since December 2018, the school has entered into a series of new loan agreements with The Woodard Corporation (Woodard) for provision of financial support. This financial support was initially provided to support school operations, and after the cessation announcement further funds were provided to allow for the orderly closure of school operations and settlement of contractual liabilities. With the continuing support of Woodard the Abbots Bromley School Limited company, now renamed ABS Realisations Limited, will remain open allowing for 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).

### **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 Woodard and participate in the election of its board of management and are committed to its charitable objects.

### **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. The governing body met sixteen times during the year

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021**

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### **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.

With the change in circumstances at the school, the skills mix has changed and 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 senior managerial or business experience.

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. Whilst in operation 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 met to take all significant decisions during the year. The previous committee structure was disbanded. The directors determine the general policy of the company.

The day to day management of the company was delegated to an interim Bursar who was on contract to the company and acts in the role of Key Management personnel, overseeing the run-down of the company. This function has mostly passed either to the governors or is undertaken as part of Woodard Corporation's activities. All previous structures supporting the school whilst in operation ceased as the previous senior management team were made redundant at 31<sup>st</sup> August 2019.

### **Group Structure and Relationships**

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

## **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 objectives and planning activities the governors have considered the Charity Commission's general guidance on public benefit. 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**

In 2019-20 the aims of the company became realisation of the assets, whilst being cognisant of the various interests of local groups and of the village in which the previous school was based.

# **ABS REALISATIONS LIMITED**

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021**

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

The school council appointed a number of experts and other advisers.

### **Principal Activities of the Year**

As described above, the principal activity of the company since the cessation of school operations has been the realisation of assets, chasing amounts owing, settling liabilities and ensuring that the wind down of school operations could be achieved successfully. Staff worked with contractors to clear the buildings and archive and store records, and contractors have been employed to ensure that the accounting and other records were brought up to date and were accessible.

### **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. The public benefit aim was that all pupils were self-confident and desired to contribute to the wider community. As stated above, in realising the assets the governors have been cognisant of the various interests of local groups and of the village in which the previous school was based, in order to ensure that the public benefit aim is delivered, as far as possible. Any excess of proceeds after the sale of the land and buildings and settlement of liabilities will be used for purely charitable purposes in pursuit of the public benefit.

In the furtherance of these aims the ABS Realisations governors, as the charity trustees, 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.

### **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 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.

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**

#### **Achievements and Performance in the Year**

Following the regrettable decision that school operations would cease at 31<sup>st</sup> August 2019, the governors engaged with Savills UK to market the property. Within the boundaries of what is required by the Charities Act 2011 the initial aim of the governors was to try to find a buyer who would continue education from the site. In January 2020, a sale of the land and buildings was agreed with a buyer based in China. The agreement was exchanged in April 2020, and the backstop date for completion was July 2020 but this did not take place as the proposed buyer requested, and was granted, an extension to the time for completion until January 2021. Shortly before the revised deadline, the buyer communicated, via their solicitors, to say that they were postponing completion of the deal, citing practical issues related to the pandemic. The request for a further extension was not agreed, as the reasons were not viewed as tenable, and there was no confidence that the contract would complete at the proposed extended date. The trustees of ABS Realisations retain the property and are seeking an alternative buyer.

# ABS REALISATIONS LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2021**

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### **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. Management of Woodard's investments was moved from UBS Wealth Management to Cazenove Capital from February 2021. None of the directors has any beneficial interest in that company.

### **FINANCIAL REVIEW**

#### **Results for the Year**

The net surplus for the year was £683,891 (2020: deficit of £1,735,709).

Following closures during the course of the year to 31st August 2020, businesses were again ordered to close on 4th January 2021 when the country entered a further period of 'lockdown'. The financial implications of the pandemic were carried into 2020-21 and will affect 2021-22. ABS Realisations Limited adapted well to the impact of the pandemic with the site being closed and only essential staff being allowed onto the site, with all staff respecting social distancing. Those who were able to, worked from home. The financial impact on ABS Realisations is not believed to be significant.

Whilst operational, the majority of school income was generated from pupil fees. In the year under review the overall expenditure of the company was focused on post-operation activity including clearance of the buildings, archiving records, security, maintenance and promotion of the site for sale. Other activity was focused on identifying and settling outstanding liabilities and ensuring that all the accounting was brought up to date. Where income was generated it was from the sale of assets either directly or via auction. The Statement of Financial Activities includes, as income, the proceeds from the deposit from the original sale agreement of April 2020, which was forfeited due to the buyer's inability to complete the contract. A new agreement for the sale of the land and buildings had not been finalised by the year end, and no income is included in these financial statements relating to a that potential sale.

The Articles of Association of the company forbid the distribution of any income of the school, which is to be applied solely towards the promotion of the objects of the school.

The trading company, Dandelion Enterprises Limited made a trading loss of £8,005 (2020: deficit of £16,685) following the write off of previously invoiced amounts.

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 £25,862 and the recognised liability under the plan reduced by £25,411, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 23.

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

Following closure, the reserves policy concentrates on realising the assets in order to pay liabilities, and use any surplus funds to pursue the charitable purposes. This policy is dependent on protecting the assets and maximising their value.

Unrestricted (negative) funds increased to (£5,866,288) from (£6,519,316) at 31st August 2021.

In common with most current and former 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 (£7,568,695) (2020: negative (£8,366,569) at the year-end.

The company's unrestricted reserves are primarily invested in tangible fixed assets.

### **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.

# ABS REALISATIONS LIMITED

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021**

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One major risk since early in 2020 has been the impact of Coronavirus pandemic. The governors took appropriate measures and facilitated adaptations. The physical risk was addressed through limiting access to the site, with all visitors and staff respecting social distancing. Those who were able to, worked from home.

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 2021, included those affecting security and preservation of charitable assets both now and in the future. Significant risk areas are:

- 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 and appropriate professional advisers were appointed to ensure that the school could keep up to date with all requirements
- 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 the directors of 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:

- planning, financial forecasting, budgeting and management accounting
- formal agendas and minutes for all meetings of the governing body and 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

With its limited ambitions, the charitable company planned strategically having regard for risk. Advisers and staff provided the governing body with regular reports of progress to realising the limited aims of the charitable company.

The strategy for realisation 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 Woodard 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



# ABS REALISATIONS LIMITED

## **DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021**

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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 charitable company can 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 work towards meeting liabilities.
4. To work with external agencies to conclude the sale of the land and buildings. 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 are:

Mrs P A Norvall (resigned 14<sup>th</sup> July 2021)  
Mr S James LLB Hons  
Mr S Bourne  
Revd. S C Davis BSc MA MIET (resigned 8<sup>th</sup> October 2020)  
Mrs H M Graham BA Hons (resigned 14<sup>th</sup> July 2021)  
Professor Dr K R Luther

The previous system of school council committees was ceased on closure of the school. 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

**ABS REALISATIONS LIMITED****DIRECTORS' REPORT (*incorporating the Strategic Report*)  
YEAR ENDED 31ST AUGUST 2021**

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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 27<sup>th</sup> May 2022, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

*Simon James*

Mr S R James LLB Hons  
27<sup>th</sup> May 2022

Director

**ABS REALISATIONS LIMITED****INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ABS REALISATIONS LIMITED  
YEAR ENDED 31ST AUGUST 2021**

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**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 2021, which comprise Consolidated and Charitable Company Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets the Consolidated Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2021 and of the group's and parent charitable company'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.

**Basis for opinion**

We have been appointed 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 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 respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**ABS REALISATIONS LIMITED****INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ABS REALISATIONS LIMITED  
YEAR ENDED 31ST AUGUST 2021**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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**

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**

We have nothing to report in respect of the following matters where 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
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 7 to 8, 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.

**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.

**ABS REALISATIONS LIMITED****INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ABS REALISATIONS LIMITED  
YEAR ENDED 31ST AUGUST 2021**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting frameworks and the relevant tax compliance regulations in the jurisdictions in which the group operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the group's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations; and
  - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would

**ABS REALISATIONS LIMITED****INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ABS REALISATIONS LIMITED  
YEAR ENDED 31ST AUGUST 2021**

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become aware of it. We corroborated the results of our enquiries to relevant supporting documentation.

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the group including:
    - the provisions of the applicable legislation;
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the group's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions;
  - the group's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the group's compliance with regulatory requirements.

**ABS REALISATIONS LIMITED****INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ABS REALISATIONS LIMITED  
YEAR ENDED 31ST AUGUST 2021**

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**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 and section 154 of the Charities Act 2011. 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 its 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: 27/5/2022

**ABS REALISATIONS LIMITED**
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an  
Income and Expenditure Account)**  
**YEAR ENDED 31ST AUGUST 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
<b>Other trading activities</b>						
Non-ancillary trading income	2	533	-	-	<b>533</b>	2,799
<b>Investments</b>						
Investment income	3	-	2,564	1,147	<b>3,711</b>	4,399
Bank and other interest	4	192	-	-	<b>192</b>	803
<b>Other incoming resources</b>	5	1,792,311	-	-	<b>1,792,311</b>	-
<b>TOTAL INCOMING RESOURCES</b>	21	1,793,036	2,564	1,147	<b>1,796,747</b>	8,001
Expenditure on:						
<b>Raising funds</b>						
Financing and other costs	7	258,294	-	-	<b>258,294</b>	366,281
Investment management		-	361	227	<b>588</b>	558
<b>TOTAL DEDUCTIBLE COSTS</b>		258,294	361	227	<b>258,882</b>	366,839
<b>Charitable Activities</b>						
Education and grant making	6	881,714	-	-	<b>881,714</b>	1,358,399
<b>TOTAL EXPENDITURE</b>		1,140,008	361	227	<b>1,140,596</b>	1,725,238
Net gains/(losses) on investment assets	12	-	23,493	4,247	<b>27,740</b>	(18,472)
<b>Net income/(expenditure)</b>		653,028	25,696	5,167	<b>683,891</b>	(1,735,709)
Transfers between funds	21	-	-	-	<b>-</b>	-
<b>Net Movement in funds for the year</b>		653,028	25,696	5,167	<b>683,891</b>	(1,735,709)
Fund balances at 1st September		(6,519,316)	99,944	37,033	<b>(6,382,339)</b>	(4,646,630)
<b>FUND BALANCES AS AT 31ST AUGUST</b>		(5,866,288)	125,640	42,200	<b>(5,698,448)</b>	(6,382,339)

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 37 form part of these financial statements.



**ABS REALISATIONS LIMITED**
**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and  
Expenditure Account)**  
**YEAR ENDED 31ST AUGUST 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
<b>Other trading activities</b>						
Non-ancillary trading income	2	533	-	-	<b>533</b>	2,775
<b>Investments</b>						
Investment income	3	-	2,564	1,147	<b>3,711</b>	4,399
Bank and other interest	4	192	-	-	<b>192</b>	436
<b>Other incoming resources</b>	5	1,792,311	-	-	<b>1,792,311</b>	
<b>TOTAL INCOMING RESOURCES</b>	21	1,793,036	2,564	1,147	<b>1,796,747</b>	7,610
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Financing and other costs	7	258,293	-	-	<b>258,293</b>	389,433
Investment management		-	361	227	<b>588</b>	558
<b>TOTAL DEDUCTIBLE COSTS</b>		258,293	361	227	<b>258,881</b>	389,991
<b>Charitable Activities</b>						
Education and grant making	6	871,360	-	-	<b>871,360</b>	1,318,171
<b>TOTAL EXPENDITURE</b>		1,129,653	361	227	<b>1,130,241</b>	1,708,162
Net gains/(losses) on investment assets	12	-	23,493	4,247	<b>27,740</b>	(18,472)
<b>Net income/(expenditure)</b>		663,383	25,696	5,167	<b>694,246</b>	(1,719,024)
Transfers between funds	21	-	-	-	-	-
<b>Net Movement in funds for the year</b>		663,383	25,696	5,167	<b>694,246</b>	(1,719,024)
Fund balances at 1st September		(6,530,009)	99,944	37,033	<b>(6,393,032)</b>	(4,674,007)
<b>FUND BALANCES AS AT 31ST AUGUST</b>		(5,866,626)	125,640	42,200	<b>(5,698,786)</b>	(6,393,031)

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 37 form part of these financial statements.

**ABS REALISATIONS LIMITED****CONSOLIDATED AND CHARITY BALANCE SHEETS  
AS AT 31ST AUGUST 2021**

	Note	Group 2021 £	2020 £	Charity 2021 £	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	11	<b>1,702,507</b>	1,847,353	<b>1,702,507</b>	1,847,353
Investments	12	<b>143,598</b>	98,223	<b>143,598</b>	98,223
Investment in subsidiaries	12	-	-	<b>100</b>	100
		<b>1,846,105</b>	1,945,576	<b>1,846,205</b>	1,945,676
<b>CURRENT ASSETS</b>					
Debtors	13	<b>116,324</b>	198,417	<b>218,323</b>	253,245
Cash at bank and in hand	14	<b>967,606</b>	177,943	<b>850,452</b>	71,466
		<b>1,083,930</b>	376,360	<b>1,068,775</b>	324,711
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	15	<b>(6,500,284)</b>	(6,535,449)	<b>(6,485,567)</b>	(6,494,593)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(5,416,354)</b>	(6,159,089)	<b>(5,416,762)</b>	(6,169,882)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(3,570,249)</b>	(4,213,513)	<b>(3,570,587)</b>	(4,224,206)
<b>LONG TERM LIABILITIES</b>					
Creditors payable after one year	16	<b>(2,034,784)</b>	(2,050,000)	<b>(2,034,784)</b>	(2,050,000)
Provisions for liabilities	23	<b>(93,315)</b>	(118,726)	<b>(93,315)</b>	(118,726)
<b>NET ASSETS</b>		<b>(5,698,348)</b>	(6,382,239)	<b>(5,698,686)</b>	(6,392,931)
<b>REPRESENTED BY:</b>					
<b>CALLED UP SHARE CAPITAL</b>	18	<b>100</b>	100	<b>100</b>	100
<b>ENDOWED FUNDS</b>	21	<b>42,200</b>	37,033	<b>42,200</b>	37,033
<b>RESTRICTED FUNDS</b>	21	<b>125,640</b>	99,944	<b>125,640</b>	99,944
<b>UNRESTRICTED FUNDS</b>					
General reserve	21	<b>(5,866,288)</b>	(6,519,316)	<b>(5,866,626)</b>	(6,530,009)
		<b>(5,698,348)</b>	(6,382,239)	<b>(5,698,686)</b>	(6,392,931)

The financial statements were approved and authorised for issue by the Board on 27<sup>th</sup> May 2022 and signed on its behalf by

*Simon James*

Mr S R James LLB Hons  
DIRECTOR  
Company registration number 05018628

The notes on pages 18 to 37 form part of these financial statements.

**ABS REALISATIONS LIMITED****CONSOLIDATED CASH FLOW STATEMENT  
AS AT 31ST AUGUST 2021**

	Notes	2021 £'000	2020 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	24	<b>1,074,090</b>	253,395
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		3,903	5,202
Proceeds from the sale of property, plant and equipment		2,815	29,522
Purchase of property, plant and equipment		-	(32,463)
Purchase of investments		(17,635)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(10,917)</b>	2,261
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(300,000)	-
Cash inflows from new borrowing		284,784	-
Financing and other costs		(258,294)	(366,281)
<b>Net cash provided by (used in) financing activities</b>		<b>(273,510)</b>	(366,281)
<b>Change in cash and cash equivalents in the year</b>		<b>789,663</b>	(110,625)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>177,943</b>	288,568
<b>Cash and cash equivalents at the end of the year</b>	26	<b>967,606</b>	177,943

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> AUGUST 2021****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 33, 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.

Despite agreeing a deal for the sale of the land and buildings to an educational buyer in April 2020, and granting a six month extension to the original date for completion, the buyer was unable to complete the contract, and the deposit was forfeited in January 2021. The trustees of ABS Realisations retain the property and are seeking an alternative buyer.

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 settlement of contractual liabilities.

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 realisation of assets.

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.

**d) Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> AUGUST 2021**

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.

**e) 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.

**f) 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.

**g) Finance and Other Costs**

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

**h) Pension Costs**

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

The company offered 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 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 23 and 29.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> AUGUST 2021****i) 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. Where appropriate cost includes in-house 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)

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.

**j) 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.

**k) Investments**

Investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

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.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> AUGUST 2021**

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**l) 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.

**m) 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.

**n) 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.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****2. OTHER TRADING ACTIVITIES**

	2021 £	2020 £
<b>Non-ancillary trading income</b>		
Dandelion Enterprises Limited turnover	-	23
Other non-ancillary trading income	533	2,776
	<u>533</u>	<u>2,799</u>

**3. INVESTMENTS - INVESTMENT INCOME**

	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
<b>Investment income</b>					
Equities	-	2,363	947	3,310	4,171
Fixed interest	-	201	200	401	228
	<u>-</u>	<u>2,564</u>	<u>1,147</u>	<u>3,711</u>	<u>4,399</u>

**4. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE**

Group	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
Bank interest	-	-	-	-	803
Other interest	192	-	-	192	-
	<u>192</u>	<u>-</u>	<u>-</u>	<u>192</u>	<u>803</u>
<b>Company</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowed</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Bank interest	-	-	-	-	436
Other interest	192	-	-	192	-
	<u>192</u>	<u>-</u>	<u>-</u>	<u>192</u>	<u>436</u>

**5. OTHER INCOMING RESOURCES**

	Total 2021 £	Total 2020 £
Other incoming resources	1,792,311	-
	<u>1,792,311</u>	<u>-</u>

Other incoming resources includes deposits forfeited and associated damages due when a contract for sale of the land and buildings did not complete.



**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****6. ANALYSIS OF EXPENDITURE****a) Total expenditure**

	Staff costs (note 8) £	Support costs £	Depreciation (Note 11) £	<b>Total 2021 £</b>	Total 2020 £
<b>Costs of raising funds</b>					
Financing and other costs (note 7)	-	258,294	-	-	366,280
Investment management	-	588	-	-	558
<b>Total cost of generating funds</b>	-	258,882	-	-	366,838
<b>Charitable expenditure</b>					
Welfare	-	104,914	-	<b>104,914</b>	-
Premises	64,951	281,671	143,286	<b>489,908</b>	626,019
School administration	105,826	181,066	-	<b>286,892</b>	686,996
Governance	-	-	-	-	45,383
<b>Education and grant making</b>	170,777	567,651	143,286	<b>881,714</b>	1,358,397
<b>Total Expenditure</b>	170,777	826,533	143,286	<b>1,140,596</b>	1,725,236

**b) Total resources expended include:**

ABS Realisations reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. 1 governor was reimbursed during the year (2020: Nil).

	<b>2021 £</b>	2020 £
Remuneration paid to auditor for audit services	<b>25,956</b>	20,000
Additional remuneration paid to auditor for prior year	<b>1,841</b>	19,500
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	<b>143,286</b>	191,020
(Profit)/loss on disposal of fixed assets	<b>(1,255)</b>	-
Legal Expenditure	-	2,610
Reimbursement of personal expenses to governors	<b>26</b>	-

**7. FINANCING AND OTHER COSTS**

	<b>2021 £</b>	2020 £
Interest payable – Bank overdraft	-	4,532
Interest payable – Woodard Corporation	<b>232,730</b>	263,782
Interest payable – APB Group Limited	<b>75,668</b>	100,270
Interest payable – Other	<b>785</b>	8,166
Bank charges	<b>660</b>	1,898
Debt Collection Fees	<b>14,266</b>	85,548
Movement in provision for bad and doubtful debt	<b>(66,420)</b>	(95,189)
Other finance costs	<b>605</b>	-
Subsidiary Corporation Tax	-	(2,726)
	<b>258,294</b>	366,281

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****8. STAFF COSTS**

	<b>2021</b> £	2020 £
The aggregate payroll costs for the year were:		
Wages and salaries	<b>61,934</b>	210,611
Social security costs	<b>5,754</b>	17,871
Other pension costs	<b>2,857</b>	6,726
	<b>70,545</b>	235,208
Redundancies/settlement agreements	-	23,447
Agency staff/contractors	<b>100,232</b>	286,392
	<b>170,777</b>	545,046

Included in staff costs are redundancy or termination payments totalling £Nil (2020: £516,262). The amount outstanding at the year-end was £Nil (2020: £Nil).

The Headmaster and Bursar were previously classed as being the Key Management Personnel.

	<b>2021</b> £	2020 £
Aggregate employee benefits of key management personnel	-	-

There were no members of staff whose annual emoluments were £60,000 or more.

The average number of employees during the year calculated on a head count basis, was 2 (2020: 8)

	<b>2021</b> No	2020 No
Premises	<b>2</b>	3
Support	-	5
	<b>2</b>	8

**9. DIRECTORS**

None of the directors received remuneration or other benefits from ABS Realisations or from any connected body.

**10. TAXATION**

ABS Realisations 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 Enterprises Limited and taxable profits arising in that company are donated to its parent under a Gift Aid arrangement.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****11. TANGIBLE FIXED ASSETS**

<b>Group and company</b>	<b>Freehold Land &amp; Buildings £</b>	<b>Fixtures, Fittings &amp; Equipment £</b>	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 <sup>st</sup> September 2020	2,580,434	1,626,645	17,712	29,884	4,254,675
Additions	-	-	-	-	-
Disposals	-	(1,657)	-	-	(1,657)
<b>At 31<sup>st</sup> August 2021</b>	<b>2,580,434</b>	<b>1,624,988</b>	<b>17,712</b>	<b>29,884</b>	<b>4,253,018</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> September 2020	946,010	1,413,716	17,712	29,884	2,407,322
Charge for the year	60,501	82,785	-	-	143,286
Disposals	-	(97)	-	-	(97)
<b>At 31<sup>st</sup> August 2021</b>	<b>1,006,511</b>	<b>1,496,404</b>	<b>17,712</b>	<b>29,884</b>	<b>2,550,511</b>
<b>Net book value at 31<sup>st</sup> August 2021</b>	<b>1,573,923</b>	<b>128,584</b>	<b>-</b>	<b>-</b>	<b>1,702,507</b>
Net book value at 31 <sup>st</sup> August 2020	1,634,424	212,929	-	-	1,847,353

All assets are used for charitable purposes.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****12. INVESTMENTS**

	Unrestricted	Restricted	Endowed	Total 2021	Total 2020
	£	£	£	£	£
<b>Group investments</b>					
At 1 September	-	61,349	36,874	<b>98,223</b>	116,695
Reinvested income	-	13,305	4,540	<b>17,845</b>	-
Investment management fees	-	(129)	(81)	<b>(210)</b>	-
Realised gains/(losses) on investments	-	(21)	(21)	<b>(42)</b>	-
Unrealised gains/(losses) on investments	-	23,514	4,268	<b>27,782</b>	(18,472)
<b>Group investments at 31 August</b>	-	98,018	45,580	<b>143,598</b>	98,223
Investment in subsidiaries	100	-	-	<b>100</b>	100
<b>Company investments at 31 August</b>	100	98,018	45,580	<b>143,698</b>	98,323
<b>Investments comprise:</b>					
<b>Listed investments</b>					
Fixed interest	-	4,082	18,123	<b>22,205</b>	23,996
Equities	-	79,720	21,956	<b>101,676</b>	74,227
<b>Cash</b>	-	14,216	5,501	<b>19,717</b>	-
<b>Group investments at 31 August</b>	-	98,018	45,580	<b>143,598</b>	98,223
Investment in subsidiaries	100	-	-	<b>100</b>	100
<b>Company investments at 31 August</b>	100	98,018	45,580	<b>143,698</b>	98,323

ABS Realisations Limited owns all of the share capital of Dandelion Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 27.

Investments and deposits are managed for ABS Realisations Limited by Cazenove. All investments are managed and held in the UK.

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

J O Hambro UK Equity Income	68,053
Threadneedle UK Equity Income Fund	24,846
4% United Kingdom 2009-7.3.22 Treasury Stock	8,163
iShares Core GBP Corp Bond	14,042

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****13. DEBTORS**

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Trade debtors	-	43,374	-	9,966
Other debtors	<b>8,983</b>	37,284	<b>8,983</b>	37,284
Prepayments and accrued income	<b>107,341</b>	79,952	<b>107,341</b>	79,952
Amounts due from subsidiary company	-	-	<b>101,999</b>	88,236
Amounts due from parent company	-	37,807	-	37,807
	<b>116,324</b>	198,417	<b>218,323</b>	253,245

**14. CASH AT BANK AND IN HAND**

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Amounts held by commercial banks	<b>966,882</b>	176,640	<b>849,728</b>	70,163
Petty cash	<b>724</b>	1,303	<b>724</b>	1,303
	<b>967,606</b>	177,943	<b>850,452</b>	71,466

**15. CREDITORS: amounts falling due within one year**

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Trade creditors	<b>2,027</b>	121,211	<b>2,027</b>	121,118
Taxation and social security	<b>5,027</b>	24,037	-	4,289
Other creditors	<b>67,811</b>	69,686	<b>67,811</b>	69,686
Accruals	<b>42,833</b>	283,145	<b>33,142</b>	262,130
Amounts due to parent company	<b>6,382,586</b>	6,037,371	<b>6,382,587</b>	6,037,371
	<b>6,500,284</b>	6,535,449	<b>6,485,567</b>	6,494,593

Bank loans and overdrafts are secured by an unlimited all monies guarantee under a pooled banking arrangement organised by the Woodard Corporation. Woodard and one other subsidiary subscribe to the pooled banking arrangement with Lloyds Bank plc.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021***Amounts due to parent company:*

Since 13<sup>th</sup> December 2018 the company has entered into various loan agreements with The Woodard Corporation, as follows:

<b>Date of Agreement</b>	<b>Maximum facility £000's</b>
13 December 2018	700
21 February 2019	750
15 April 2019	1,000
2 August 2019	1,650
4 October 2019	1,300
3 March 2020	300
	<hr/>
	5,700
	<hr/>

The rate of interest on the loan is 2.0% per annum above the Bank of England's base rate, with effect from 1<sup>st</sup> May 2021. Prior to this date the rate of interest was 4.5% per annum above the Bank of England's base rate.

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loan	<b>5,821,239</b>	5,350,000
Accumulated interest	<b>558,483</b>	325,753
Other costs	<b>2,864</b>	361,618
<i>Intercompany creditor</i>	<hr/> <b>6,382,586</b> <hr/>	<hr/> 6,037,371 <hr/>
Other costs	-	440
Purchase of equipment	-	37,367
<i>Intercompany debtor</i>	<hr/> - <hr/>	<hr/> 37,807 <hr/>
Net Inter Company Creditor	<hr/> <b>6,382,586</b> <hr/>	<hr/> 5,999,564 <hr/>

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****16. CREDITORS: amounts falling due after one year**

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Other loans	<b>2,034,784</b>	2,050,000	<b>2,034,784</b>	2,050,000
	<b>2,034,784</b>	2,050,000	<b>2,034,784</b>	2,050,000

The charitable company entered into an agreement with APB Group Limited for a loan facility of up to maximum aggregate amount of £1.0 million on the 18<sup>th</sup> June 2015. APB Group Limited also made a medium-term credit facility available to the charitable company. Amounts made available under this facility were £100k on each of the 4<sup>th</sup> August 2016, the 10<sup>th</sup> August 2016, the 15<sup>th</sup> August 2016, the 21<sup>st</sup> October 2016, the 24<sup>th</sup> October 2016 and the 26<sup>th</sup> October 2016. Further amounts of £200k were made available on the 26<sup>th</sup> November 2016 and on 9<sup>th</sup> December 2016. The charitable company used all amounts borrowed by it under the facilities to meet its cash flow.

Up to 30<sup>th</sup> April 2021, the rate of interest on the loan was 4.5% per annum above the Bank of England's base rate and interest was rolled up, but not paid. From 1<sup>st</sup> May 2021, the interest was accumulated into the loan capital, and the interest rate was reduced to 2% over the Bank of England's base rate, with interest being paid monthly. It is anticipated that repayment of capital will take place following a completed sale of the land and buildings.

**17. COMMITMENTS UNDER OPERATING LEASES**

The future minimum commitments under non-cancellable operating leases are:

	<b>2021 £</b>	<b>2020 £</b>
Within 1 year	<b>10,339</b>	37,619
Within 1 to 5 years	<b>7,754</b>	119,032
After 5 years	-	7,125
	<b>18,093</b>	163,775

**18. SHARE CAPITAL**

	<b>2021 £</b>	<b>2020 £</b>
<b>Authorised</b>		
100 Ordinary Shares of £1 each	<b>100</b>	100
<b>Allotted, called up and fully paid</b>		
100 Ordinary Shares of £1 each	<b>100</b>	100

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021**

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**19. FUNDS**

ABS Realisations 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**

The Special Endowment funds 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 funds are:**

**Expendable Endowments**

Prize Fund

This fund comprises a number of gifts to provide prizes.

**b) RESTRICTED 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.

**Minor Funds**

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



**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****19. FUNDS (Continued)****c) UNRESTRICTED FUNDS**

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

**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.

	2021 £	2020 £
Equity shareholders' funds	(5,698,348)	(6,382,239)
Less:		
Endowed funds	(42,200)	(37,033)
Restricted funds	(125,640)	(99,944)
Less:		
Tangible assets	(1,702,507)	(1,847,353)
Free reserves	<u>(7,568,695)</u>	<u>(8,366,569)</u>

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted £	Restricted £	Endowed £	Total 2021 £
Tangible fixed assets	1,702,507	-	-	1,702,507
Investments	-	98,018	45,580	143,598
Net current (liabilities)/assets	(5,440,696)	27,622	(3,380)	(5,416,454)
Long term liabilities	(2,128,099)	-	-	(2,128,099)
	<u>(5,866,209)</u>	<u>125,640</u>	<u>42,200</u>	<u>(5,698,448)</u>

  

	Unrestricted £	Restricted £	Endowed £	Total 2020 £
Tangible fixed assets	1,847,353	-	-	1,847,353
Investments	-	61,349	36,874	98,223
Net current (liabilities)/assets	(6,197,844)	38,595	160	(6,159,089)
Long term liabilities	(2,168,726)	-	-	(2,168,726)
	<u>(6,519,217)</u>	<u>99,944</u>	<u>37,033</u>	<u>(6,382,239)</u>

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****21. SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

	At 1 Sept 2020 £	Incoming resources £	Resources expended £	Transfe rs £	Gains/ (losses) £	At 31 August 2021 £
<b>Endowed - Expendable Prize Fund</b>	37,033	1,147	(227)	-	4,247	<b>42,200</b>
<b>Total Endowed</b>	<b>37,033</b>	<b>1,147</b>	<b>(227)</b>	<b>-</b>	<b>4,247</b>	<b>42,200</b>
<b>Restricted Funds</b>						
Scholarship, Bursary & Prize Funds	99,944	2,564	(361)	-	23,493	<b>125,640</b>
<b>Total Restricted</b>	<b>99,944</b>	<b>2,564</b>	<b>(361)</b>	<b>-</b>	<b>23,493</b>	<b>125,640</b>
<b>Unrestricted Funds</b>						
Appeal Fund	1,244	-	-	-	-	<b>1,244</b>
General Reserve	(6,520,560)	1,793,036	(1,140,008)	-	-	<b>(5,867,532)</b>
	<b>(6,519,316)</b>	<b>1,793,036</b>	<b>(1,140,008)</b>	<b>-</b>	<b>-</b>	<b>(5,866,288)</b>
<b>Total Funds</b>	<b>(6,382,339)</b>	<b>1,796,747</b>	<b>(1,140,596)</b>	<b>-</b>	<b>27,740</b>	<b>(5,698,448)</b>

Note 19 provides details of the individual funds.

**22. CAPITAL COMMITMENTS**

At 31 August 2021, the group had capital commitments as follows:

	<b>2021 £</b>	<b>2020 £</b>
Expenditure contracted for but not provided in the accounts	-	-

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****23. PENSION SCHEMES****Pensions Trust 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.

**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:	£11.243m per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 30 September 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 31 March 2025:	£12.945m per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 31 March 2028:	£54,450 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.

**Present Values of Provision**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Present value of provision	<b>93,315</b>	118,726

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****23. PENSION SCHEMES (Continued)**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of opening and closing provisions</b>		
	<b>£</b>	<b>£</b>
Provision at 1 September	<b>118,726</b>	141,508
Unwinding of the discount factor	<b>577</b>	1,241
Deficit contribution paid	<b>(25,862)</b>	(25,108)
Remeasurements - impact of any change in assumptions	<b>(126)</b>	1,085
<b>Provision at 31 August</b>	<b>93,315</b>	118,726

<b>Income and expenditure impact</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest expense	<b>577</b>	1,241
Remeasurements - impact of any change in assumptions	<b>(126)</b>	1,085

<b>Assumptions</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>
Rate of discount	0.63	0.55	0.97

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:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Year 1	<b>26,638</b>	25,862	25,108
Year 2	<b>27,437</b>	26,638	25,862
Year 3	<b>28,260</b>	27,437	26,638
Year 4	<b>11,978</b>	28,260	27,437
Year 5	-	11,978	28,260
Year 6	-	-	11,978
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year10	-	-	-

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 2021****24. RECONCILIATION OF NET INCOMING RESOURCES TO NET  
CASH INFLOW FROM OPERATIONS**

	2021 £	2020 £
<b>Net income for the period (as per the Statement of Financial Activities)</b>	<b>683,891</b>	<b>(1,735,709)</b>
<b>Adjustments for</b>		
Depreciation charges	143,286	270,246
(Gains)/losses on investments	(27,740)	18,472
Dividends, interest, and rents from investments	(3,903)	(5,202)
Financing and other costs	258,294	366,281
(Profit) on the sale of fixed assets	(1,255)	-
Decrease in debtors	82,093	225,693
(Decrease)/increase in creditors	(60,576)	1,113,612
<b>Net cash provided by operating activities</b>	<b>1,074,090</b>	<b>253,393</b>

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash in hand and at bank	967,606	177,943
Overdraft facilities repayable on demand	-	-
<b>Total cash and cash equivalents</b>	<b>967,606</b>	<b>177,943</b>

**26. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 <sup>st</sup> Sept 2020 £	Cash flows £	Other non- cash changes £	At 31 <sup>st</sup> Aug 2021 £
<b>Cash and cash equivalents</b>				
Cash	177,943	789,663	-	967,606
<b>Borrowings</b>				
Loans falling due within one year	(6,037,371)	(345,215)	-	(6,382,586)
Loans falling due after one year	(2,050,000)	300,000	(284,784)	(2,034,784)
	(8,087,371)	(42,215)	(284,784)	(8,417,370)
<b>TOTAL</b>	<b>(7,909,428)</b>	<b>744,448</b>	<b>(284,784)</b>	<b>(7,449,764)</b>

**27. SUBSIDIARIES**

The Company owns all of the share capital of Dandelion Enterprises Limited, a company incorporated in England and Wales. This company previously carried out trading activity on behalf of the school including commercial letting.

Dandelion Enterprises Limited had a turnover of £Nil (2020: £23), and a loss for the year ended 31st August 2021, before taxation, of £10,355 (2020: £19,410). At 31 August 2021 the company had shareholder's funds of £2,787 (2020: £10,792).

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021****28. Consolidated Statement of Financial Activities – Comparative figures by fund type**

<b>Year Ended 31 August 2020</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowed</b>	<b>Total</b>
	£	£	£	£
<b>Other trading activities</b>				
Non-ancillary trading income	2,799	-	-	<b>2,799</b>
<b>Investments</b>				
Investment income	-	3,299	1,100	<b>4,399</b>
Bank and other interest	803	-	-	<b>803</b>
<b>Total Incoming Resources</b>	<b>3,602</b>	<b>3,299</b>	<b>1,100</b>	<b>8,000</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Financing and other costs	366,281	-	-	<b>366,281</b>
Investment management	-	364	194	<b>558</b>
<b>Total Deductible Costs</b>	<b>366,281</b>	<b>364</b>	<b>194</b>	<b>366,839</b>
<b>Charitable activities</b>				
Education and grant making	1,358,398	-	-	<b>1,358,398</b>
<b>Total resources expended</b>	<b>1,724,678</b>	<b>364</b>	<b>194</b>	<b>1,725,237</b>
Net gains/(losses) on investment assets	-	(15,685)	(2,787)	<b>(18,742)</b>
<b>Net income/(expenditure)</b>	<b>(1,721,077)</b>	<b>(12,750)</b>	<b>(1,882)</b>	<b>(1,735,708)</b>
Transfers between funds	3,016	(2,535)	(481)	<b>-</b>
<b>Net movement in funds for the year</b>	<b>(1,718,061)</b>	<b>(15,285)</b>	<b>(2,363)</b>	<b>(1,735,708)</b>
Fund balances at 1 <sup>st</sup> September	(4,801,256)	115,229	39,396	<b>(4,646,630)</b>
<b>Fund Balances at 31<sup>st</sup> August</b>	<b>(6,519,316)</b>	<b>99,944</b>	<b>37,033</b>	<b>(6,382,338)</b>

**29. CONTINGENT LIABILITIES**

The charitable company, together with The Woodard Corporation, subscribes to an unlimited all moneys guarantee from Lloyds Bank plc. This arrangement includes an omnibus letter of set-off covering all monies due both present and future from the Woodard Corporation and the subscribers to the arrangement.

The charitable company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2020, the latest date for which information is available. As of this date the estimated employer debt for the charitable company was £221,927, including Series 3 liabilities.

**30. 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 3BW. The accounts of ABS Realisations Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

**31. 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 £Nil (2020: £Nil) was paid during the year to Woodard by way of a levy to meet running costs.

**ABS REALISATIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2021**

The charitable company entered into an agreement with APB Group Limited for a loan facility of up to maximum aggregate amount of £1.0 million on the 18<sup>th</sup> June 2015. APB Group Limited also made a medium-term credit facility available to the charitable company. Amounts made available under this facility were £100k on each of the 4<sup>th</sup> August 2016, the 10<sup>th</sup> August 2016, the 15<sup>th</sup> August 2016, the 21<sup>st</sup> October 2016, the 24<sup>th</sup> October 2016 and the 26<sup>th</sup> October 2016. Further amounts of £200k were made available on the 26<sup>th</sup> November 2016 and on 9<sup>th</sup> December 2016. The charitable company used all amounts borrowed by it under the facilities to meet its cash flow.

Up to 30<sup>th</sup> April 2021, the rate of interest on the loan was 4.5% per annum above the Bank of England's base rate and interest was rolled up, but not paid. From 1<sup>st</sup> May 2021, the interest was accumulated into the loan capital, and the interest rate was reduced to 2% over the Bank of England's base rate, with interest being paid monthly. It is anticipated that repayment of capital will take place following a completed sale of the land and buildings. Mrs H M Graham BA Hons, who has a majority interest in APB Group Limited, was a director of the charitable company until 14<sup>th</sup> July 2021.

The charitable company also controls a subsidiary trading company, Dandelion Enterprises Limited, the results of which are detailed in note 27.

**32. POST BALANCE SHEET EVENTS**

On 21<sup>st</sup> September 2021, Heads of Terms were agreed with a developer for a sale of the land and buildings, subject to planning permission. At the date of signing these financial statements the sales contract was being progressed.

**33. 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.

*Pension scheme deficit reduction payments*

As explained at note 23, 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 29, 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.

*Provision for bad debts*

Where there is a significant doubt surrounding the future collectability of amounts due to the company, a provision is made so that the amount outstanding is not overstated in the financial statements. At the 31<sup>st</sup> August 2020 and 31<sup>st</sup> August 2021, all debts were provided against, and only those amounts that have either been paid, or for which some form of payment plan exists, remain without provision. Management judgement is used to assess the likelihood of future collection and the resulting need for a provision.

*Depreciation, impairment and residual values of fixed assets*

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.