

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31ST DECEMBER 2016**

Registered number: 02553435

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**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
LEGAL AND ADMINISTRATION  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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<b>PRESIDENT</b>	A J Tate
<b>VICE PRESIDENT</b>	A C Ilyde
<b>DEPUTY VICE PRESIDENT</b>	S J Frith
<b>CHIEF EXECUTIVE OFFICER</b>	G H W Rumney
<b>ADDRESS</b>	120 Aldersgate Street London EC1A 4JQ
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**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**REPORT OF THE COUNCIL**

The Council has pleasure in submitting the Association's Report and Accounts for the year ended 31 December 2016.

**PRINCIPAL ACTIVITIES**

The principal activities of the Association are the provision of training and technical support to its members and the promotion of best practice in the insolvency and restructuring. The Association represents its members in dealing with regulators, the government and the media. It achieves its aims by maintaining a website, by running courses and conferences, by the publication of Recovery magazine and technical bulletins, and by organising regional meetings for members.

The Association also seeks to foster a deeper understanding of the work of its members with underperforming businesses and individuals in financial difficulty through regular communication with government, members of parliament, the media and representatives of key creditor and other stakeholder groups.

**COUNCIL**

- The following have been members of the Council and have also served as directors of the Association for all or part of the year:

**President** A J Tate, Kreston Reeves LLP, Chatham

**Vice President** A C Hyde, CVR Global LLP, London

**Deputy Vice President** S J Frith, Stephenson Harwood LLP, London

**Other Members** W Ballmann, Gateley PLC, Leeds  
E Blackburn, French Duncan LLP, Edinburgh (appointed 29/4/16)  
A M Byrne, Byrne Associates, Bristol  
R Clark, Burges Salmon LLP, Bristol  
T Cooper, HBJ Gateley, Edinburgh  
F E Coulson, Moon Beever, London  
M Dunham, Dunham & Dean Advisory, Manchester  
S J Frith, Stephenson Harwood LLP, London  
C D Fitzgerald, Shakespeare Martineau LLP, London (appointed 29/4/16)  
S Gilchrist, Edwin Coe LLP, London  
J R Houston, Houston Hunter, Belfast  
K Jordan, Muckle LLP, Newcastle  
J Leader, Eversheds LLP, London  
G Limb, Compliance on Call Ltd, Coventry (appointed 29/4/16)  
J P N Martin, CCW Recovery Solutions LLP, Oldbury  
N J Pike Pinsent Masons LLP, London (appointed 29/4/16)  
M R Pink, KPMG LLP, London (appointed 29/4/16)  
E Pywowarczuk, Liberta Financial Ltd, Newark  
D K Swift, Moore Stephens LLP, Southampton  
A J Turner, Lovewell Blake LLP, Lowestoft  
C H Turner mlm Solutions London (appointed 29/04/16)  
L Weeks, Birketts LLP, Cambridge  
C E Williams, Squire Patton Boggs (UK) LLP, London  
R Wolff, JMW Solicitors LLP, Manchester

**Outgoing Members**

L M Brittain, Wilkins Kennedy LLP, London (resigned 12/10/16)  
G R Frampton, Richard J Smith & Co, Ivybridge (resigned 29/04/16)  
W M H Tait, BDO LLP, Gatwick (resigned 29/04/16)

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**Officer**            G H W Rumney Chief Executive Officer & Company Secretary

**STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Council Members are responsible for preparing the Council's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Council 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 Association and of the surplus or deficit of the Association for the accounting period. In preparing these financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

This Council Member's report has been prepared taking advantage of the special exemptions applicable to small companies conferred by Section 415A of the Companies Act 2006.

**COUNCIL & COMMITTEE MEETINGS**

Council met on four occasions during the year. The national committees meet between two and six times, with the Education (ECC) and Technical (GTC) committees meeting the most frequently.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**SUMMARY OF ACTIVITIES**

The Association, known by its brand name R3 (standing for Rescue, Recovery and Renewal), continued providing training, technical advice and networking opportunities for its members, their staff and prospective members. It promoted best advice and the work of its members in the fields of insolvency (both corporate and personal), restructuring, and business recovery.

**Policy, Press & Public Affairs**

R3 experienced another busy year of insolvency legislation activity. In May, the government announced plans to reform the UK's corporate insolvency landscape, proposing four measures that it believed would encourage greater business rescue. R3 welcomed the proposals, which included a business rescue moratorium, but outlined a number of concerns where it felt the proposals went too far and could actually harm the UK's world class insolvency regime. R3 worked closely with government and stakeholders throughout 2016 to make recommendations to the proposals, including publishing our own proposals for a business rescue moratorium in April 2016.

In November, the EU published its proposal for a directive to 'harmonise' EU insolvency law to encourage 'second chances for entrepreneurs'. Whilst the directive is scheduled for introduction in 2018/19, it is unclear whether it will affect the UK. The proposals, however, are similar to the UK government's proposals for corporate insolvency reform.

The 'Brexit' issue also consumed considerable time at R3 after the vote. R3 published a paper for government in December on its recommendations for negotiations to ensure that the UK's insolvency and restructuring regime maintains its status as an international insolvency and restructuring centre which is one of the best in the world. R3 has also met and discussed its recommendations with a number of parliamentarians and government officials.

During 2016, R3 met more than 30 parliamentarians, including parliamentary aides to ministers, the Chairman of the Business, Energy and Industrial Strategy Committee, shadow ministers, members of the Treasury Committee and influential backbench MPs. R3 also held three parliamentary events, including one on the government's corporate insolvency reforms, and Brexit.

R3's Personal Insolvency Committee helped position R3 at the forefront of the debate on personal insolvency procedures in England & Wales via its engagement with the Money Advice Service and via its highly regarded research into debt solutions in the UK, and the development of the new Standard Financial Statement. The committee also released guidance to members on how to interact with difficult or vexatious individuals who are involved in an insolvency procedure, and also on the extent of the insolvency practitioner exclusion from Financial Conduct Authority authorisation when giving debt advice.

R3's Fraud Group developed further its contacts with government and other fraud-combating stakeholders to raise awareness of what the insolvency profession can do to recover money for victims of fraud and to discourage or disrupt fraudulent activity.

Throughout the year, R3 met over 50 external stakeholders: the CEO, senior officials and board members of the Insolvency Service, the CEO of Companies House, senior HMRC officials and from creditor representative bodies such as the Federation of Small Businesses and the British Property Federation. Policy roundtables were also held with stakeholders on corporate insolvency, Brexit and collective redundancies in 2016.

High levels of quality press coverage were achieved by R3 in 2016, with R3's analysis of developments in the insolvency profession appearing regularly in national, regional, and online outlets, as well as on Sky News. Notable pieces of coverage included reports on R3's research into Brexit and insolvency, R3's comments on the government's corporate insolvency reforms, and R3's research into the impact of tax changes on the insolvency regime. R3's media work has been supported by the invaluable input of members through R3's regular surveys. In 2016, members' views were sought on fraud and regulation, HMRC, the government's corporate insolvency reforms, and Brexit. The survey results have led to press coverage and concerns raised by the surveys have been acted upon by government departments.

**R3 Technical output**

R3's policy-orientated members' groups, including the main Policy Group and the Personal Insolvency Committee, continued providing valuable output, and both contribute to the development of R3 national policy positions, including on corporate insolvency reform, DB pension schemes, and Brexit (an R3 Brexit group was set up following the June vote).

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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The work of our Policy and Public Affairs team was significantly supported by the work of R3's two technical committees: General Technical Committee (GTC) and Scottish Technical Committee (STC), who in their own right were fully engaged in responding to consultations and other areas of interaction with the Insolvency Service, The Accountant In Bankruptcy and the Joint Insolvency Committee, the latter being a forum for the insolvency regulators to discuss and agree matters of common interest, where R3 is an active "observer".

Within GTC, a specialist Tax Group has been set up, and has been active throughout the year in maintaining liaison with HMRC on matters of current concern to the insolvency profession. The Tax Group has also responded to a number of HMRC consultations and raised concerns about resulting legislative reforms direct with HM Treasury. R3 is working closely with HMRC with regards to its plans to Make Tax Digital, ensuring that insolvency is taken into account by HMRC when considering planned changes.

The Insolvency Rules 2016 were published in October to come into effect from 6 April 2017. R3 has a planned series of breakfast briefings on the new Rules, at various venues throughout the UK, during February and March 2017 in addition to a number of Regional talks and presentations at SPG and R3 Conferences. The new Rules represent the most significant change to insolvency legislation for thirty years and will result in additional technical bulletins and training courses being provided to members throughout 2017 as the changes introduced by the Rules take effect.

In July 2016, the Insolvency Service updated Chapter 17 of the OR's Technical Manual 'Appointments of liquidator's and trustees'. This, coupled with the wording used in Dear IP 72 which announced the changes, led to concerns being raised by R3 members that the OR had changed its policy with regards to the appointment of IPs as trustee. In response to this, R3's President met with the senior OR to discuss the effect of the changes made to the manual and explained why members had concerns. Discussions have been on-going with the senior OR with regards to the wording used in the manual and the effect of the changes introduced by the new Insolvency Rules 2016 on creditors seeking an IP's appointment as trustee.

R3 has also been in regular discussion with the Insolvency Service with regards to the application of Secretary of State fees on third party funds, producing additional guidance to IPs on this subject and maintaining a watching brief as a number of cases are being heard in court to determine whether, and in what circumstances, Secretary of State fees should apply to third party funds.

#### **Member Services**

R3 continued to review its member services, drawing upon member feedback on both those areas that R3 does well and those where there are calls for R3 to modify or improve its offerings.

The principal demands from members are for: (a) the continued development of timely technical information; (b) providing a voice for the sector with all stakeholders; (c) coverage of relevant topics and CPD via our educational, courses & conferences programmes; (d) the provision of essential reference materials and guidance tools for all experience levels via access to the R3 website; and (e) unique networking opportunities delivered via national and regional events.

In 2016, R3 created a well-received 'Member Benefits Statement' (MBS) which was distributed before the membership renewals were issued. This detailed individual members' R3 footprint of financial discounts received, technical materials made available during the year and the verification of CPD points accrued during the year. The intention of the MBS is to illustrate the value for money that membership of R3 provides.

R3 also continued to review and make improvements to its website, aiming to provide ever-increasing access to the library and volume of learning resources and technical materials available on the website.

#### **Education, courses & conferences**

R3's national training events took place in Birmingham, Bristol, Cheltenham, Leeds, London and Manchester. The Annual Conference was in Budapest and our Smaller Practices Group Forum made the move from Manchester to Warwick (Chesford Grange) where it was last held in 2009.

Through a variety of one day and half day courses, conferences, workshops, breakfast briefings and webinars, R3's programme covered all the key areas of insolvency – corporate, personal, and regulatory and business management.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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These included Insolvency Litigation, Personal Insolvency, R3/INSOL International Restructuring Conference, Directors' Duties', Advanced Tax, Social Media, Employee Issues and a Beginners' Guide to IBRs.

R3 also continued to support new professionals with JIEB Workshops and an Introductory Programme, which is seen to be an essential foundation for all new starters in insolvency.

R3's breakfast briefings and webinars mean that it can inform members about relevant 'hot topics' and offer practical and technical guidance. These are short and concise, and so perfect for people with little time to spare. The Insolvency Rules 2016 will provide an additional source of education and training opportunities throughout 2017.

**Regional network**

The R3 local network and committees, comprising nine regions and "R3 in Scotland", are an integral part of R3's provision of services to members, providing a gateway for R3 to engage and communicate with - and listen to - its members. The work of the R3 local chairs, their committees, and the associated women's and new professionals' committees deserve particular mention and thanks. They ensure R3 remains in touch with its membership by arranging a valued calendar of local networking and technical events for those interested in insolvency, turnaround and restructuring. In some regions these included shared events with the TMA, ICAEW and the IFT.

**Smaller Practices Group**

The R3 Smaller Practices Group (SPG) has a very active committee, which strenuously supports the work, and articulates the needs, of members covered by our definition of a 'smaller' firm (no more than 5 appointment-takers). The committee's work in 2016 included various training options specifically for smaller firms: the SPG Forum, the SPG Technical Review course, and a programme of webinars. This committee successfully supported smaller firms on monitoring and compliance matters and released guidance aimed at assisting practitioners combat the negative marketing of unlicensed advisers. Work also continued on a 'Small Business Landscape' paper to outline the importance of small businesses to the UK economy and demonstrate the vital role of smaller IP firms in supporting businesses and the economy in their local communities.

The SPG Committee contributed to R3's responses to various Government proposals and consultations that impact on smaller firms, including R3's response to the Call for Evidence into bonding arrangements for insolvency practitioners, and led a number of work streams, such as R3's ongoing liaison with the Insolvency Service and the Official Receivers (OR) to ensure that smaller firm interests are taken into account in all matters relating to the OR work.

**FINANCIAL RESULTS**

The Association's activities in the year resulted in a deficit after tax for the year ended 31 December 2016 of £193.9k (£13.4k deficit after tax in 2015). The Association's reserves consequently reduced to £2.136m (£2.33m in 2015). We had initially budgeted for a £275k deficit, but the partial releasing of a dilapidations reserve of £45k contributed to this better than forecasted outcome.

Subscription income totalled £1.185m (£1.255m in 2015), representing a £70k reduction year on year, but is viewed as a good result against the backdrop of continued contraction in the industry, and tight budgetary controls over discretionary expenditure in many firms.

Educational net contribution of £345k (£491k in 2015) was considerably less than hoped for at the outset of the year and is attributed to a combination of factors: a large turnover in R3's full-time events staff, restrictions on member firm budgets and competition.

There was again a very good regional contribution of £229k (£214k in 2015) from locally-hosted social and educational events which, as well as contributing to central costs, also fully funded our region-specific media work. Seven local centres are twinned with local press agents, the exceptions being London, Scotland and Northern Ireland (for whom R3's in-house team sources coverage). The costs incurred with these agents and the training of local spokesmen in media management totalled £60k (£64k in 2015).



**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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R3 remains thankful for the support of all R3 sponsors during 2016. This has enabled R3 to continue in, and further develop, its core services to members across the comprehensive range of education, training, lobbying and core support services for and on behalf of all members. R3 especially wishes to thank its 2016 Key Sponsors Partners Willis Towers Watson, IRS and a new addition in 2016, CREDEBT.

Investment income remained at the same low level as in recent years. In keeping with R3's low risk policy of holding surplus funds in bank deposits, R3 earned £20k (£22k in 2015). R3's term deposits were held with Santander. R3's working capital balances are predominantly held with Barclays.

R3 envisages and has planned for the next few years remaining challenging on the income front, and whilst working to increase income in all possible areas, R3 will contemporaneously keep a close control over its costs.

R3's financial policy, having built up a cushion of reserves to above £2m, is to draw upon these in a controlled way as it adjusts to a changing economic situation, for R3 and for many of its members. In relation to the latter, R3's Council decided to freeze member subscription rates in 2016, a policy continuing into 2017.

R3 will maintain its commitment to providing members with the educational, informational, networking and social activities they tell us they want, being a combination of traditional and new offerings. Additionally, R3 will continue to promote the rescue, recovery and renewal activities that the industry undertakes, and of which its members are justifiably proud, whether they are insolvency practitioners, restructuring experts or turnaround specialists.

R3 is a not-for-profit company. Surpluses generated and retained reserves are not paid out as dividends, but kept within the company to support its work and aims. R3 encourages members to "buy local" and its efforts in marketing and promoting its courses are being extended to utilise the resources and recommendations of local committees and Council members; and, as appropriate, via increased use of social media.

The R3 staff team at "120" is fully committed to work in full support of members; and they in turn are aided by those industry volunteers on national and regional committees, as well as their employing firms. Thanks are due to all of them for their efforts, in a year which saw a large number of staff depart for new roles elsewhere, commencing maternity leave or retirement. In all instances, R3 wishes all its ex-colleagues well.

## **FIXED ASSETS**

Movements in fixed assets are shown in Note 6 to the accounts.

## **AUDIT INFORMATION**

So far as the Council Members are aware, there is no relevant audit information of which the Company's auditors are unaware. The Council Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
REPORT OF THE COUNCIL (continued)  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**AUDITORS**

Messrs haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted to the Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the Board on 6<sup>th</sup> March 2017 and signed by Order of the Council:

A J Tate  
President



A C Hyde  
Vice President



120 Aldersgate Street  
London EC1A 4JQ

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**

We have audited the financial statements of the Association of Business Recovery Professionals for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Council Members' Responsibilities Statement set out on page 3, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standard for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of accounts is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements and this report has been prepared with applicable legal requirements. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council.

### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



**George Crowther (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor**

**26 Red Lion Square  
London  
WC1R 4AG**

6 March 2017

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Notes	2016 £'000	2015 £'000
<b>TURNOVER</b>			
Subscription income		1,185.9	1,255.1
Courses, meetings and conferences		1,429.3	1,621.6
Sponsorship		238.3	196.0
Advertising		45.0	43.3
Other income		0.4	7.0
		<u>2,898.9</u>	<u>3,123.0</u>
<b>OPERATING EXPENSES</b>			
Direct course expenses		(980.8)	(1,013.0)
Administrative expenses		(2,128.1)	(2,141.5)
		<u>(3,108.9)</u>	<u>(3,154.5)</u>
<b>OPERATING DEFICIT</b>	2	(210.0)	(31.5)
Interest receivable and similar income		<u>20.1</u>	<u>22.6</u>
<b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(189.9)	(8.9)
Taxation	3	<u>(4.0)</u>	<u>(4.5)</u>
<b>DEFICIT FOR THE YEAR</b>		<u><u>(193.9)</u></u>	<u><u>(13.4)</u></u>

The notes on pages 12 to 16 form part of these financial statements.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
STATEMENT OF FINANCIAL POSITION  
AT 31ST DECEMBER 2016**

**Company Registration No. 2553435**

	Note	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	40.3	46.5
<b>CURRENT ASSETS</b>			
Debtors	8	616.1	572.7
Cash at bank and in hand		2,500.3	2,730.7
		<u>3,116.4</u>	<u>3,303.4</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,020.2)</u>	<u>(1,019.5)</u>
<b>NET CURRENT ASSETS</b>		<u>2,096.2</u>	<u>2,283.9</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,136.5</u>	<u>2,330.4</u>
<b>ACCUMULATED SURPLUS</b>	10	<u>2,136.5</u>	<u>2,330.4</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006.

The accounts were approved and authorised for issue on behalf of Council on 6<sup>th</sup> March 2017 and were signed below on its behalf by:

A J Tate

**President**



A C Hyde

**Vice President**



The notes on pages 11 to 13 form part of these financial statements.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The Association of Business Recovery Professionals is a private company, limited by guarantee, registered in England and Wales.

The registered office is:  
120 Aldersgate Street  
London  
EC1A 4JQ

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

**(b) Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Provision of Services**

Turnover from the provision of services is recognised when all of the following conditions are satisfied:

- The amount of turnover can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

**(c) Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives at the following rates:

Fixtures & fittings	25 per cent straight line
Computers & equipment	33 1/3 per cent straight line
Leasehold improvements	20 per cent straight line, or over the lease term

**(d) Taxation**

The Association is a mutual company for taxation purposes and is only liable to tax on its investment income and any profits earned from non-members.

**(e) VAT**

The Association is partially exempt. The irrecoverable proportion of VAT is included in administrative expenditure.

**(f) Stock**

Stock items bought during the year which remain unsold at the year end and all publications are written off in the year of purchase.

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**(g) Operating leases**

Rents applicable to operating leases where substantially all of the benefits and risks of partnership remain with the lessor are charged to the profit and loss account evenly over the life of the lease.

**(h) Pensions**

The Association contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Association to the scheme in respect of the year.

**(i) Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods.

**(j) Dilapidation provision**

The Association makes provision for dilapidations on the property that it occupies which are expected to be payable at the end of the lease term. The dilapidation provision is accounted for on the basis that they will have to return the building to its original state on expiry of the lease, there will be an outflow of economic benefit when they leave the building and that the cost estimate has been provided by a 3<sup>rd</sup> party surveyor.

**(k) Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

<b>2 OPERATING DEFICIT</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>This is stated after charging / (crediting) :</b>		
Auditors' remuneration – audit	8.4	7.0
- other	2.0	2.3
Depreciation	29.5	28.5
Operating lease rentals - land and buildings	153.6	95.1
- other	-	3.5
- release of dilapidation provision	(45.0)	(66.7)
	<u>          </u>	<u>          </u>

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

<b>3</b>	<b>TAXATION</b>	<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	The tax charge on bank interest receivable for the year was as follows:		
	UK Corporation tax at current rates	4.0	4.5
	<b>Corporation tax charge for the year</b>	<u>4.0</u>	<u>4.5</u>
	<b>Tax reconciliation</b>		
	Differences in the total taxed assessed are explained below:		
	Deficit on ordinary activities before tax	(189.9)	(31.5)
	Expenses not chargeable to corporation tax	<u>210.0</u>	<u>54.1</u>
	<b>Interest for the year chargeable to corporation tax</b>	<u>20.1</u>	<u>22.6</u>
	Interest chargeable to tax multiplied by the standard rate of tax in the UK of 20% (2015: 20%)	<u>4.0</u>	<u>4.5</u>
<b>4</b>	<b>STAFF COSTS</b>	<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	Employee particulars are shown below:		
	Wages and salaries	1,165.3	1,202.9
	Social security costs	126.2	136.4
	Other pension costs	34.6	33.5
		<u>1,326.1</u>	<u>1,372.8</u>
	The average number of persons employed by the company during the year was:	<b>No.</b>	<b>No.</b>
	Administration	<u>24</u>	<u>24</u>
	None of the directors received any remuneration in either 2016 or 2015.		
<b>5</b>	<b>OPERATING LEASE COMMITMENTS</b>		
	At 31 December 2016, the Association had commitments under operating leases as set out below:		
		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	Total Commitment – 4 years	<u>763.5</u>	<u>-</u>



**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

<b>6</b>	<b>FIXED ASSETS</b>	<b>Leasehold Improvements £'000</b>	<b>Fixtures &amp; Fittings £'000</b>	<b>Computers &amp; Equipment £'000</b>	<b>Total £'000</b>
	<b>Cost</b>				
	At 1 January 2016	184.4	77.6	247.3	509.3
	Additions for year	13.4	0.0	9.9	23.3
		<u>197.8</u>	<u>77.6</u>	<u>257.2</u>	<u>532.6</u>
	<b>At 31 December 2016</b>				
	<b>Depreciation</b>				
	At 1 January 2016	184.4	74.8	203.6	462.8
	Charge for year	1.1	1.0	27.4	29.5
		<u>185.5</u>	<u>75.8</u>	<u>231.0</u>	<u>492.3</u>
	<b>At 31 December 2016</b>				
	<b>Net Book Value</b>				
	At 31 December 2016	<u>12.3</u>	<u>1.8</u>	<u>26.2</u>	<u>40.3</u>
	At 31 December 2015	<u>0.0</u>	<u>2.8</u>	<u>43.7</u>	<u>46.5</u>
<b>7</b>	<b>DEBTORS</b>			<b>2016 £'000</b>	<b>2015 £'000</b>
	Trade debtors			79.2	94.3
	Other debtors			229.6	230.6
	Prepayments			307.3	247.8
				<u>616.1</u>	<u>572.7</u>
<b>8</b>	<b>CREDITORS: amounts falling due within one year</b>			<b>2016 £'000</b>	<b>2015 £'000</b>
	Trade creditors			225.1	168.1
	Other creditors			45.0	90.0
	Accruals and deferred income			710.7	719.2
	Other taxes and social security			35.4	37.7
	Corporation tax			4.0	4.5
				<u>1020.2</u>	<u>1,019.5</u>
<b>9</b>	<b>ACCUMULATED SURPLUS</b>			<b>2016 £'000</b>	<b>2015 £'000</b>
	Accumulated surplus brought forward			2,330.4	2,343.8
	Deficit for the year			(193.9)	(13.4)
				<u>2,136.5</u>	<u>2,330.4</u>
<b>10</b>	<b>PENSION CONTRIBUTIONS</b>				

The Association contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by the company to the scheme which amounted to £ 34,593 (2015: £33,500). There were no contributions outstanding at the year-end (2015: £ Nil).

**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**11 FIRST TIME ADOPTION OF FRS 102**

This is the first year that the Association has presented its results under FRS102. The last financial statements, under previously extant UK GAAP, were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015. The impact of FRS 102 on the financial statements as follows:

		At 1 January 2015		At 31 December 2015	
Note	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000	As previously stated £'000	Effect of transition £'000
					FRS 102 (as restated) £'000
Fixed assets	40.6	-	40.6	46.5	-
Current assets	3,380.7	-	3,380.7	3,303.4	-
Creditors: amounts falling due within one year	(1,066.9)	(10.6)	(1,077.5)	(1,006.7)	(12.8)
Net current assets	2,313.8	(10.6)	2,303.2	2,296.7	(12.8)
Total assets less total liabilities	2,354.4	(10.6)	2,343.8	2,343.2	(12.8)
Accumulated Surplus / (deficit)	2,354.4	(10.6)	2,343.8	2,343.2	(12.8)

		As previously stated 31 December 2015	Effect of transition 31 December 2015	FRS 102 (as restated) 31 December 2015
Note	£'000	£'000	£'000	£'000
Turnover		3,123.0	-	3,123.0
Direct course expenses		(1,013.0)	-	(1,013.0)
Administrative expenses	1	(2,139.3)	(2.2)	(2,141.5)
Operating deficit		(29.3)	(2.2)	(31.5)
Interest receivable		22.6	-	22.6
Deficit on ordinary activities before taxation		(6.7)	(2.2)	(8.9)
Taxation		(4.5)	-	(4.5)
Deficit for the year		(11.2)	(2.2)	(13.4)

Explanation of changes to previously reported results and reserves:

- Under FRS 102 the Association is required to accrue for holiday entitlement earned but not taken as at the date of the Statement of Financial position. The accrued liability was £10,600 and £12,795 at 1 January 2015 and 31 December 2015 respectively.