

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 2022

Registered number: 02553435

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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**ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
LEGAL AND ADMINISTRATION
FOR THE YEAR ENDED 31ST DECEMBER 2022**

PRESIDENT	C D Fitzgerald
VICE PRESIDENT	N J Fisher
DEPUTY VICE PRESIDENT	T Cooper
CHIEF EXECUTIVE OFFICER	C W Sumner
ADDRESS	3 rd Floor (East) Clerkenwell House 67 Clerkenwell Road London EC1R 5BL
Telephone	020 7566 4200
Email	association@r3.org.uk
External Auditor	Haysmacintyre LLP 10 Queen Street Place Statutory Auditors London EC4R 1AG

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2022

REPORT OF THE COUNCIL

The Council has pleasure in submitting the Association's Report and Accounts for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Association of Business Recovery Professionals (trading as R3) is a membership association with over 3,000 members. As the trade association for the insolvency and restructuring profession R3 protects and promotes the environment and strong insolvency and restructuring framework required to enable our members to fulfil their vital role in the economy and in society. R3 plays a key role in ensuring the UK has an effective legislative and regulatory framework for the restructuring and insolvency profession. We achieve this through:

- Hosting conferences, courses and social events bringing together members of the profession to share information, build networks and discuss the key issues affecting the profession.
- Promoting high standards and best practice through the provision of training, education and technical support.
- Representing our members in dealings with regulators, the government, external stakeholders and the media.
- Publishing a quarterly member magazine.
- Ensuring that the work and value of our members is publicly recognised, understood and valued.
- Reflecting our members' views in consultations by Government, regulators and others on key issues for the profession.

COUNCIL

Council members are elected by the membership to serve for a term of three years. The President, Vice President and Deputy Vice President are chosen by Council from its elected members. The President usually serves for one year. Along with the Immediate Past President this group within Council are known as Office Holders. 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	C D Fitzgerald, Edwin Coe LLP, London
Vice President	N J Fisher, Herron Fisher, Eastbourne
Deputy Vice President	T Cooper, Addleshaw Goddard LLP, Edinburgh
Other Members	J Bradshaw, Barker Gotelee LLP, Ipswich A C Cadman, Poppleton & Appleby, Manchester (appointed 28 th April 2022) A M Curry, AlixPartners UK LLP, London L A Durkan, Deloitte LLP, London S J Edel, EY Parthenon, London A Goldthorp, Charles Russell Speechlys, London C M T Haig, Azets, London S A Jordan, IBB Law, London (appointed 28 th April 2022) P M Kings, Begbies Traynor, Newcastle (appointed 28 th April 2022) S I Kirkhope, FTI Consulting LLP, London G McPhie, Wedlake Bell, London M T Neill, A&L Goodbody, Belfast J M O'Connor, AlixPartners UK LLP, London S J Perry, Fieldfisher LLP, London N J Pike, Pike Restructuring Limited, London M R Pink, Interpath Advisory, London S J Rome, Thursfields, Solihull (appointed 28 th April 2022) T Russell, James Cowper Kreston, London (appointed 28 th April 2022) C H Turner, Begbies Traynor London M Weir, PPF, London L Winterborne, EY Parthenon, London

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2022

Outgoing Members

W Ballmann, Honorary member (resigned 28th April 2022)
E Blackburn, French Duncan LLP, Edinburgh (resigned 28th April 2022)
M Boughey, Mazars LLP, Bristol (resigned 28th April 2022)
G P Bushby, RSM Restructuring Advisory LLP, London (resigned 28th April 2022)
S Gilchrist, Edwin Coe LLP, London (resigned 28th April 2022)
J P N Martin, Azets, Birmingham (resigned 28th April 2022)
K Jordan, Muckle LLP, Newcastle (resigned 28th April 2022)
N F Stewart, Manolete Partners Plc, Salisbury (resigned 28th April 2022)
D K Swift, Azets, Southampton (resigned 28th April 2022)
R Wolff, Pannone Corporate LLP, Manchester (resigned 28th April 2022)

Chief Executive Officer and Company Secretary

Caroline W Sumner, Association of Business Recovery Professionals, London

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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

COUNCIL AND COMMITTEE MEETINGS

Council is responsible for the management of R3, including determining policy and strategy, setting business and financial plans and programmes, approving R3's Annual Report and Accounts, setting membership fees, authorising new members and appointing and providing Chairs to the National Committees through which the detailed work of developing and putting forward proposals and implementing decisions are undertaken.

Council met physically and/or virtually on three occasions during the year, whilst the national committees met between three and six times depending on individual committee work streams.

R3's national committees comprise the following:

- Education, Courses and Conferences Committee
- Membership Committee
- General Technical Committee
- Scottish Technical Committee
- Regional Communications Committee
- Smaller Practices Group Committee
- Policy Group
- Recovery magazine Editorial Board

Other dedicated committees and faculties may be created as and when required to consider specific matters or specialisms such as New Professionals, fraud, personal insolvency, M and A and special situations, restructuring etc

R3 is broken down into ten regions and nations for the purposes of its membership and regional activities. At regional level, in the majority of regions, R3 also operates further sub-committees of members, as follows:

- Main regional committees
- Women's committees
- New Professionals committees

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

SUMMARY OF ACTIVITIES

2022 marked a return to the Associations 'business as usual' activities following the disruption caused by the pandemic throughout 2020 and 2021.

PROMOTING AND DEFENDING THE PROFESSION

Throughout the year R3 has actively promoted and protected the profession and its work and highlighted the support restructuring and insolvency professionals provide to businesses, individuals and the economy across the UK every day. R3's representation of members' views and interests in responding to consultations by government, regulators and others on key issues for the profession has been critical in ensuring an effective legislative and regulatory framework for the restructuring and insolvency profession.

We carried out UK-wide member engagement programmes during 2022 to ensure our members' views, and those of our committees, were reflected in our comprehensive response to the *Future of insolvency practitioner regulation consultation* which was submitted in March.

R3 members' views were also represented in consultations on a wide range of other issues including:

- The Personal Insolvency Landscape: Call for Evidence (October 2022)
- Implementation of two UNCITRAL Model Laws on Insolvency (October 2022)
- Statutory Debt Repayment Plan: Consultation (August 2022)
- Managing the failure of systemic Digital Settlement Asset (including stablecoin) firms (July 2022)
- FCA'S approach to compromises for Regulated Firms: Consultation (February 2022)
- Moveable Transactions (Scotland) Bill (August 2022)
- Scottish Law Commission Eleventh Programme of Law: Consultation (July 2022)

AGENDA SETTING REPORTS

A key part of R3's proactive work to promote the profession during 2022 has been the publication of two policy reports to explain important issues for the profession to parliamentarians, stakeholders and the media.

Insolvency fees and the cost of regulation - the detail behind the headlines, which addressed some of the most common misconceptions around insolvency fees. The report helped explain how fees are charged and illustrated the discrepancies between the figures reported in the press and the actual amount insolvency practitioners are paid. The detail behind the fees often gets missed in media headlines - leading to an unfair representation, and understanding, of the profession and the work it carries out.

Insolvency and the fight against fraud, set out our key recommendations for reform of the UK's anti-fraud framework, focussing on the company dissolution process and Companies House automatic strike off process. The paper was sent to more than 200 parliamentarians and stakeholders to promote our proposals and featured in a number of pieces in the specialist media.

THE VOICE OF INSOLVENCY AND RESTRUCTURING IN THE MEDIA

Throughout the year we took every opportunity to speak on sector insolvency trends. R3 acted as the voice of the profession with over 1500 mentions in regional, national and specialist media including being featured in: the Times; Financial Times; Evening Standard; Radio 4 - Money Box; Channel 4 News and more.

SHAPING THE AGENDA

R3 has engaged with a range of key parliamentarians and stakeholders involved in shaping the operating environment for restructuring and insolvency professionals across the UK to help improve their understanding of the profession, its work and the circumstances in which it works. We worked with a number of parliamentarians to table Parliamentary Questions on insolvency regulation and Companies House reform and met with other business bodies and charities to discuss common policy aims and the potential to work together effectively on these.

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
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TECHNICAL UPDATES AND GUIDANCE

Practical advice and guidance have remained a key area of support for members throughout 2022. We issued 32 Technical Alerts covering a range of specific topics including; HMRC updates, Insolvency Service updates, legislation and sanctions in addition to a number of Bulletins. Our monthly technical round-up gives members direct and instant access to the latest developments, and what this means for them, all in one place.

We updated a number of guides for England and Wales in 2022 and for Scotland the creditor fees guide was updated. We also issued a guide aimed at individuals in financial distress, detailing the different options available for dealing with debt and signposting to sources of trusted advice.

WORKING TOGETHER WITH STAKEHOLDERS

R3 is actively collaborating with key stakeholders on practical steps to improve the operating environment for the profession through a series of working groups. Each group supports members and provides R3 with an avenue to voice member issues and concerns, with groups including HMRC, NEST, Insolvency Service and the FCA.

TRAINING, CONFERENCES AND EVENTS

R3's Training Academy has extended its support for members during 2022 offering a wide range of content and formats, both online and face to face, to meet the needs of members at every stage of their career. A number of new courses were introduced this year including many that were held face to face.

Over 5,000 delegates have attended our events and training during the past 12 months, as R3 demonstrated its vital role in bringing the restructuring and insolvency profession together.

As we returned to face-to-face events, in some cases for the first time in three years since the onset of the Covid-19 pandemic, members showed a real appetite and appreciation for the opportunity to get reacquainted with colleagues and make new connections.

Highlights included:

- Our Annual Conference in May with a record number of over 300 delegates attending to discuss the key issues facing the profession.
- Our fora in the nations and regions including the Scotland, Northern and Eastern Forums with high quality sessions and speakers at a regional level.
- Our programme of regional meetings, which are free to attend for members, offering members the opportunity to connect with fellow insolvency and restructuring professionals in their area.
- Our SPG Forum in November bringing the smaller practice community together face to face for the first time in three years.
- Our social and networking programme from lunches and dinners in the North West, Midlands, Yorkshire, Southern and Northern Ireland through to quizzes in London and the North East, alongside a number of golf, cycling and a range of other activities offering opportunities for members from across the profession to connect in a variety of different ways.
- Towards the end of the year our Annual Business Lunch which attracted 550 people.

R3's role as the voice for the profession will be more important than ever during 2023 as the Insolvency Service respond to the many submissions made to the consultation on the *Future of insolvency practitioner regulation*; and in representing members' interests in a changing regulatory and economic environment.

Acknowledgments

R3 staff remain fully committed to work in full **support of members**; and they in turn are aided by those 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 further change at R3 as the organisation took large strides forward in the implementation of its Strategic Plan.

R3 also remains thankful for the support of **all R3 sponsors** during 2022 who have enabled R3 to continue in, and further develop, its services to members across the comprehensive range of education, training, lobbying and core support services. R3 especially wishes to thank its Key Sponsorship Partners during 2022 – SR Insurance Solutions, Marsh and Manolete plc.

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

FINANCIAL RESULTS

The main source of revenue for the Association is from members' fees and subscriptions which totalled £1.028m (£0.999m in 2021), representing a 2.9 % increase year on year.

Income from training, events and conferences totalled £922.2k which represented a doubling of contribution from the previous year (£421.4k in 2021). This reflected the return of face-to-face events throughout the UK following the lifting of restrictions previously imposed due to the pandemic.

Sponsorship income also grew by 28% on the previous year, reflecting the increased number of events providing additional sponsorship opportunities.

We remain grateful to members who assist in organising events in each region which help to ensure members are engaged with R3 and provides them with vital support and information, and to all those speakers who contribute their time and knowledge to deliver content for all R3's education and technical events.

The Association's activities in the year resulted in a profit after tax of £60.2k (£36.6k profit after tax in 2021). The Association's reserves consequently increased to £1.199m at 31 December 2022 (£1.139m at 31 December 2021).

FIXED ASSETS

Movements in fixed assets are shown in Note 7 to the accounts.

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2022

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.

AUDITORS

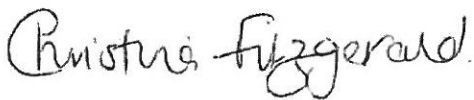
Messrs Haysmacintyre LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted to the Annual General Meeting.

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 17th March 2023 and signed by Order of the Council:

C D Fitzgerald
President



N J Fisher
Vice President



67 Clerkenwell Road
London EC1R 5BL

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

Opinion

We have audited the financial statements of the Association of Business Recovery Professionals (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income and the Statement of Financial Position, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its surplus/deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Council members are responsible for the other information. 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.

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 Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Council has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council members' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS (Continued..)**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the 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, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the Investment advisory business and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS (Continued..)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

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



**Kathryn Burton (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP,
Statutory Auditors**

**10 Queen Street Place
London
EC4R 1AG**

Date: 20th March 2023

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £'000	2021 £'000
TURNOVER			
Subscription income		1,028.5	999.0
Training, events and conferences		922.2	421.4
Sponsorship		282.8	219.7
Advertising		2.6	10.5
Other income		101.0	128.3
		<u>2,337.1</u>	<u>1,778.9</u>
OPERATING EXPENSES			
Direct course expenses		(659.0)	(195.4)
Administrative expenses		(1,624.6)	(1,556.8)
		<u>(2,283.6)</u>	<u>(1,752.2)</u>
OPERATING SURPLUS/(DEFICIT)	2	53.5	26.7
Interest receivable and similar income		8.1	4.7
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>61.6</u>	<u>31.4</u>
Taxation	4	(1.4)	5.2
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>60.2</u></u>	<u><u>36.6</u></u>

The notes on pages 14 to 18 form part of these financial statements.

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS
STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2022

Company Registration No. 02553435

	Note	2022 E'000	2021 £'000	2021 £'000
FIXED ASSETS				
Tangible fixed assets	7		16.9	39.2
CURRENT ASSETS				
Debtors	8	261.0		195.4
Cash at bank and in hand		1,913.1		1,795.2
		<u>2,174.1</u>		<u>1,990.6</u>
CREDITORS: amounts falling due within one year	9	(892.1)		(816.1)
NET CURRENT ASSETS			<u>1,282.0</u>	<u>1,174.5</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
PROVISIONS FOR LIABILITIES	10		(100.0)	(75.0)
NET ASSETS			<u>1,198.9</u>	<u>1,138.7</u>
ACCUMULATED SURPLUS	11	1,198.9		1,138.7

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 17th March 2023 and were signed below on its behalf by:

C D Fitzgerald

President

Christine Fitzgerald

N J Fisher

Vice President

NJ Fisher

The notes on pages 14 to 18 form part of these financial statements.

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:
3rd Floor (East), Clerkenwell House
67 Clerkenwell Road
London EC1R 5BL

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) Going concern

The Directors have assessed cash flow forecasts and budgets for at least 12 months after the date of approval of the financial statements and have determined that the entity is a going concern based on its strong cash position at the year end and the achievement of a surplus for the second year running.

(c) 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.

(d) 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

(e) Taxation

The Association has reviewed its tax status, which has been confirmed as part-mutual/ part-trader for taxation purposes. The Association is liable to tax on its investment income and any profits earned from non-members. The tax expense for the year comprises current tax. The current tax charge is based on the taxable element of the result for the year. The company's liability for current tax is calculated using tax rates that have been enacted or subsequently enacted by the reporting date.

(f) VAT

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

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

(g) **Operating leases**

Rents applicable to operating leases where substantially all of the benefits and risks 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) **Government grants**

Government grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred.

(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.

2	OPERATING SURPLUS/(DEFICIT)	2022	2021
		£'000	£'000
	This is stated after charging:		
	Auditors' remuneration – audit	12.5	10.3
	- other	2.8	3.5
	Depreciation	25.8	26.9
	Operating lease rentals - land and buildings	31.3	40.0
		<u> </u>	<u> </u>

3. **Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Council makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, not necessarily equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Dilapidation provision

The company is required, under the terms of its former property lease, to restore those offices to the condition they were in at the inception of the lease upon vacation. The Directors are therefore required to make a judgement of the company's expected future costs to carry out this work.

An estimate has been obtained from, and after consulting with, an external firm of chartered surveyors, in arriving at the expected cost. A provision has been included in the financial statements of this amount.

The Directors consider that a moderate provision is required in respect of the company's current leasehold premises.

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2022

4	TAXATION	2022	2021
		£'000	£'000
	The tax charge for the year was as follows:		
	UK Corporation tax at current rates	-	-
	Adjustments in respect of prior periods	-	(1.5)
	Origination and reversal of timing differences	1.1	(3.7)
	Effects of changes in tax rates	0.3	-
	Corporation tax charge/(credit) for the year	1.4	(5.2)
	Tax reconciliation		
	Differences in the total taxed assessed are explained below:		
	Surplus/(deficit) on ordinary activities before tax	<u>61.6</u>	<u>31.4</u>
	Tax on surplus/deficit on ordinary activities at standard CT rate of 19%	11.7	6.0
	Expenses not deductible for tax purposes	379.6	304.7
	Income not taxable for tax purposes	(390.2)	(313.6)
	Losses carried back	-	-
	Adjustments to tax charge in respect of previous periods	-	(1.4)
	Remeasurements of deferred tax for changes in tax rates	0.3	(0.9)
	Tax charge/(credit) for the period	1.4	(5.2)
5	STAFF COSTS	2022	2021
		£'000	£'000
	Employee particulars are shown below:		
	Wages and salaries	949.2	861.1
	Social security costs	110.0	95.5
	Other pension costs	47.4	35.2
		<u>1,106.6</u>	<u>991.8</u>
	The average number of persons employed by the company during the year was:	No.	No.
	Administration	<u>21</u>	<u>20</u>
	None of the directors received any remuneration in either 2022 or 2021.		

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2022

6 OPERATING LEASE COMMITMENTS

At 31 December 2022, the Association had commitments under operating leases as set out below:

	2022	2021
	£'000	£'000
Total Commitment – less than 1 year	39.2	36.1
Total Commitment – between 2 to 5 years	-	39.2
	<u>39.2</u>	<u>75.3</u>

7 FIXED ASSETS

	Fixtures & Fittings £'000	Computers & Equipment £'000	Total £'000
Cost			
At 1 January 2022	25.9	75.1	101.0
Additions for year	2.3	1.1	3.4
Disposals in the year	-	-	-
At 31 December 2022	<u>28.2</u>	<u>76.2</u>	<u>104.4</u>
Depreciation			
At 1 January 2022	6.1	55.7	61.8
Charge for year	6.5	19.2	25.7
Eliminated on disposal	-	-	-
At 31 December 2022	<u>12.6</u>	<u>74.9</u>	<u>87.5</u>
Net Book Value			
At 31 December 2022	<u>15.6</u>	<u>1.3</u>	<u>16.9</u>
At 31 December 2021	<u>19.8</u>	<u>19.4</u>	<u>39.2</u>

8 DEBTORS

	2022	2021
	£'000	£'000
Trade debtors	75.3	28.8
Other debtors	53.7	31.8
Prepayments	132.0	134.8
	<u>261.0</u>	<u>195.4</u>

Included in other debtors, above is £27,414 which is receivable after more than one year (2021: £27,414)

9 CREDITORS: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	112.7	48.1
Accruals and deferred income	740.7	729.2
Other taxes and social security	41.0	52.6
Corporation tax	(2.3)	(13.8)
	<u>892.1</u>	<u>816.1</u>

ASSOCIATION OF BUSINESS RECOVERY PROFESSIONALS

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2022

10 PROVISIONS:

	2022	2021
	£'000	£'000
Dilapidations	100.0	75.0
	<u>100.0</u>	<u>75.0</u>

The 8th Floor of 120 Aldersgate Street, London, EC1A 4JQ, was leased by the Association of Business Recovery Professionals from 24 March 2016 to 25 December 2021. Within the lease agreement was a clause stating the property must be returned in the state at which it was taken on. Therefore, a provision has been in place to cover these costs.

The Council members have obtained an estimate of the dilapidations which are due to the previous landlord. The estimate was provided by a third-party surveyor. Based on this assessment of the likely amounts due, and further consideration of the likely amounts due under the current lease, Council members have included a provision of £75k in these financial statements. The final liability is still uncertain as no agreement between the two parties has yet been determined and timing of settlement remains unknown. Therefore, there remains a possible but uncertain obligation to pay more or less. The amount provided will be adjusted once the final amount has been determined.

The Council members consider that a moderate provision is required in respect of the company's current leasehold premises (3rd floor East, 67 Clerkenwell Street, London, EC1R 5BL), a provision of £25k has been included in the financial statements of this amount.

11 ACCUMULATED SURPLUS

	2022	2021
	£'000	£'000
Accumulated surplus brought forward	1,138.7	1,102.1
Surplus/(deficit) for the year	60.2	36.6
Balance carried forward	<u>1,198.9</u>	<u>1,138.7</u>

12 PENSION CONTRIBUTIONS

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 £47,415 (2021: £35,204). There were £Nil contributions outstanding at the year-end (2021: £Nil).