



The Association for Cultural Enterprises is the UK's only organisation for professionals in the field of cultural and heritage commerce.

Our aim is to promote commercial best practice in the cultural and heritage sector by providing training and networking opportunities and facilitating the sharing of information and experience between our members.

acenterprises.org.uk

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The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

WELCOME FROM THE CHAIR OF ACE

Welcome to the annual report of the Association for Cultural Enterprises (ACE) for the year ended 31 March 2016.

It has been an exciting year for ACE, with an excellent programme of Study days and Masterclasses, a successful and popular Convention, and the start of the delivery phase of our most ambitious project yet, the Retail Resilience Programme supported by Arts Council England. This unique and innovative three-year initiative will deliver a web based benchmarking tool and train staff from 180 accredited museums in many areas of retail best practice including finance, buying, selling skills and visual merchandising. Just as importantly, Retail Resilience means we are welcoming many new colleagues into the ACE network where they will find additional resources and support, and meet others who are passionate about their work in the cultural and heritage sector.

Retail Resilience has already demonstrated the positive impact of well-funded partnership working and we are grateful to Arts Council England for their support. We will continue to explore other opportunities to build on our success in this area.

New subjects and new formats such as 'A Day in the Life of...' proved hugely popular this year and we will continue to innovate and develop new training opportunities to support the sector at all levels and in all types of enterprise in the future. Our vision is for ACE to be an organisation that supports our members' staff throughout their careers and across all the many areas that they may manage within their commercial portfolios.

We welcomed many new members in 2015/16, and we hope that they are already seeing the benefit of being part of a network of supportive organisations with a shared interest in making the heritage and cultural sector more successful and more sustainable. Looking ahead, we want to grow the organisation further, as well as broadening and deepening our impact through expanding our training remit and engaging with senior sector leaders and key partnership organisations to build relationships at a strategic level. We believe it is time to be bolder and increasingly ambitious in the range and scope of what we do.

I would like to express my gratitude to my fellow Trustees and especially to ACE General Manager Jill Fenwick and her able management team. Above all I would like to thank our members and supporters. I am certain that ACE can take the next steps with confidence and that together we will continue to support and inspire each other.



Caroline Brown
Chair of ACE



TRUSTEES' REPORT

MEMBERSHIP

ACE is a membership organisation for those who are passionate about their work in the cultural and heritage sector.

Membership is the core of the ACE community. It is through our membership that we deliver public benefit, by promoting excellence in cultural trading, and we are grateful to all our members, whether long established, or recently joined for their support, enthusiasm and expertise. Our membership includes some of the most prestigious cultural institutions in the UK and we are fortunate to have many loyal and long-standing members who are active as delegates, speakers and providers of host venues. The willingness to share information and expertise is the hallmark of the ACE membership offer.

The number of full members increased by 14 percent this year. We welcomed 72 additional members, although, sadly, 38 members chose not to renew their subscriptions. New members included many organisations taking part in the Retail Resilience Programme funded by Arts Council England (see below), which includes a year's free membership of ACE. Associate membership, which is primarily taken up by companies that supply goods and services to the cultural sector fell by 19 percent, but this is particularly related to an update of our database following the change of bookkeepers.

Members showed great support for ACE activities this year: Study Days and Master Classes frequently sold out, and the annual convention in Telford in March 2016 not only attracted a record number of delegates, but also featured our biggest ever Trade Show. The members-only LinkedIn group now has 600 participants, providing a secure forum for debate and an additional channel for associate members to communicate with full members. The LinkedIn site can also be used to advertise jobs, offer unwanted fixtures and fittings to fellow member organisations or simply to announce openings of new and exciting exhibitions. Online resources such as the LinkedIn site are particularly valuable for those who cannot get to events in person and we intend to do more in this area in future.

The number and type of jobs listed on the ACE website continues to grow and members tell us that they find that advertising a role with ACE brings not only a wide field of candidates but those with most relevant experience.

The 2015 AGM took place on 19 November at the Cutty Sark in Greenwich and was attended by 85 members. Incoming Chair of ACE, Caroline Brown welcomed the attendees, and the business of the evening was followed by a drinks reception and tours of the ship.

Membership fees have been held at the same level for the last seven years.

	2015/16	2014/15
Full members	303	265
Associate members	109	130

Membership Criteria

Membership is subject to the criteria set out in the ACE Articles of Association. Both full members and associates are warmly encouraged to attend ACE events and meetings, but voting is constitutionally allowed only to full member organisations through their nominated representatives.

Full membership is open to any cultural or heritage organisation in the UK that is established for public benefit and registered as a charity, or otherwise run not for profit. Such organisations include museums, galleries, libraries and archives, historic buildings and houses, including religious buildings, and historic gardens.

Associate (non-voting) membership is open to any UK cultural organisation run for private profit and any commercial companies, firms or individuals that support ACE's work. Non-profit, cultural organisations from outside the UK are also welcome to join as Associate Members.

TRUSTEES' REPORT

TRAINING: PROGRAMME

Our unparalleled training programme builds skills and knowledge, and offers invaluable networking opportunities.

Our ever-changing training programme is designed to provide practical information and skills that can be applied in the workplace. Training is delivered in a supportive and engaging environment by knowledgeable and experienced speakers drawn from across the culture and heritage sector. The programme embraces a wide range of topics of interest to our members, including merchandising, publishing, catering and image sales. Events are held across the country to enable wide participation by members, and the programme is balanced to have appeal both to smaller organisations and to senior sector leaders.

Peer to peer Study Days and professional Masterclasses form the major part of our programme, but increasingly, we are adding innovative new formats such as 'ACE on Tour' which covers a number of venues in one area and 'A Day in the Life of', which takes an intensive look at one successful institution.

It takes a great deal of planning and coordination by the ACE General Manager and her team to ensure that the programme delivers a consistently high level of quality and effectiveness. The content and extent of the programme varies each year, and in 2015/16 we held 16 training events and engaged with 735 delegates. We also launched the Retail Resilience Programme (see below) which saw a further 69 delegates at 7 seminars. Our total reach in 2015/16 therefore compares very favourably with last year when we held 20 events and saw 778 delegates.

We are grateful to all our delegates for their enthusiastic participation in the study programme, and to the host venues who welcomed us into their organisations. We would also like to thank all our speakers and presenters, especially those at the Study Days and Convention who donate their time to ACE.

2015/16 Training Programme

23/04/2015	Small Retailers	National Galleries Scotland
28/05/2015	Buying Skills Masterclass	Millennium Centre Wales
05/06/2015	View From The Top	Wellcome Collection
09/06/2015	Catering Symposium	Cabinet War Rooms
30/06/2015	Children's Books	Jewish Museum London
09/07/2015	Licensing and Wholesale	Wallace Collection
28/07/2015	Visual Merchandising for Christmas	National Maritime Museum Liverpool
04/08/2015	Finance for Retailers	Canterbury Cathedral
08/09/2015	A Day in the Life of Tate	Tate London
17/09/2015	ACE on Tour 2015 (1 day)	Oxford (various)
22/09/2015	Publishing today - with Publishing Scotland	NGS
02/10/2015	Stirling Retail at NTS and Historic Scotland	Bannockburn
20/10/2015	A Day in the Life of the National Theatre	National Theatre
27/10/2015	Picture Library Symposium	Farrer & Co
25/01/2016	Visual Merchandising Masterclass	St Andrews Museum
04/03/2016	Finance Masterclass	Ulster Museum

(Note: this excludes the Retail Resilience Programme)

735 delegates
attended training

TRUSTEES' REPORT

TRAINING: ACE RETAIL RESILIENCE PROGRAMME

A transformative project that will increase the sustainability of many museums across the sector.

The Retail Resilience Programme is a package of training and development opportunities designed to increase the knowledge and skills of retailers in the museum sector, particularly those not previously associated with ACE. This substantial three-year programme has been made possible by funding from Arts Council England and will engage with 180 accredited museums in total drawn from across the nine Arts Council regions. As part of the programme, groups of 20 museums per region receive four days of targeted training covering the core activities of good retail practice: retail finance; buying; visual merchandising; and shop floor selling skills. In addition, all participating museums are given one year's free membership of ACE, a delegate place at the Annual Convention and a free Study Day.

Following the recruitment of specialist staff to deliver the programme, and the creation of the necessary training materials, the Retail Resilience Programme began fully in July 2015. Training workshops have now been completed for the North West region, and have started in London and Yorkshire. Feedback has been positive, and 15 delegates also made use of the free Convention place this year. To the end of March, we have welcomed 69 delegates to date, representing 61 Organisations to our workshops.



Alongside the training days, we are developing additional resources for the Retail Resilience Programme such as blogs, downloadable videos and a web based benchmarking tool. We are working with a web development company to construct the benchmarking tool which will eventually be available to all organisations in the heritage sector. The benchmarking data will give organisations up-to-date information and insight about their performance against their peers, helping identify areas for improvement, and showing the benefit over time of development initiatives.

Feedback in Year 1 has been very positive. For the VM course 73% rated it excellent, and 100% felt the training was set at the right level.

“A really inspirational workshop that detailed the science behind a subject I'd always considered to be creative. I came away with lots of ideas and practical ways to make a really big difference in my shop.”

Amy Senogles, Salford Museum and Art Gallery.

The Shop Skills training also scored 73% excellent, and again feedback was great.

“A positive end to the four days of training. It was also really good to tie in the key points from the previous three training sessions. I have found all the training very informative and helpful and I will be putting into practice many of the ideas and advice given on all the training days. Thank you to ACE for providing this inspiring training.”

Janette Seaber, Nantwich Museum

TRUSTEES' REPORT

ACE BEST PRODUCT AWARDS 2016

The judges have deliberated, ACE Convention delegates have voted, and the winners are in...

The Annual ACE Best Product Awards celebrate the innovation, creativity and vibrancy of cultural retailing in the UK. This year's awards were announced during the Annual Convention at a Gala Dinner in Enginuity, the Ironbridge science and technology museum.

There was a wide range of really outstanding entries, proving that inspiration, inventiveness and retail excellence can thrive in our sector. Our thanks go out to everyone who submitted products and publications, and congratulations to our winners and runners-up. Thanks also to our panel of judges for lending us their expert opinions.

The judges of the Best Product Awards for 2016

Giftware:

Xanthe Arvanitakis, John Sloane Museum
Sue Croxford, Shakespeare Birthplace Trust
Kate Bone, National Theatre

Publications:

Declan McCarthy, Ashmolean
Lydia Furlong, National Gallery of Ireland
Douglas Pocock, Abrams & Chronicle Books



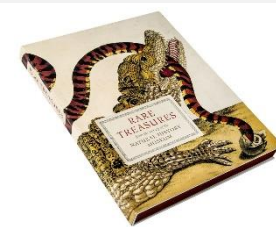
Best Overall Product
Best New Range
Royal Academy
Ai Weiwei range



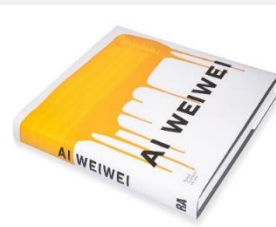
Best New Product or Range
Richard III Visitor Centre
Missing Years Rose Pin



Best New Children's Product
Historic Royal Palaces
Time For Fun!



Best General Publication
Natural History Museum
Rare Treasures from the Library of
the Natural History Museum



Best Exhibition Catalogue
Royal Academy of Arts
Ai Weiwei



Best Guide Book
Birmingham Museums
Museum of the
Jewellery Quarter



Best Licenced Product
National Portrait Gallery
The Tudors Deconstructed range
of luxury fabrics and wallpapers by
Blackpop



Most Innovative Enterprise
British Library
Alice in Wonderland pop-up shop



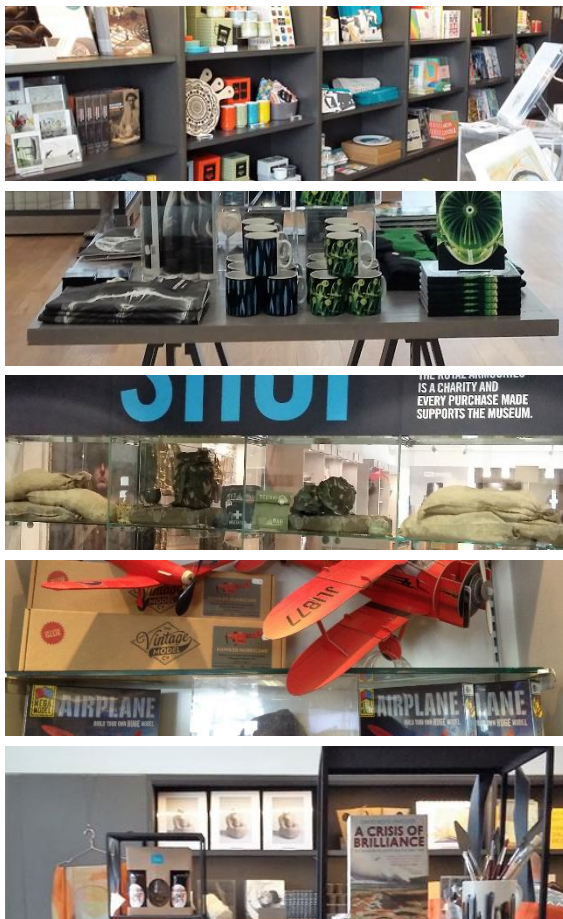
Best Online Shop
Natural History Museum

TRUSTEES' REPORT

OUTLOOK

We have ambitious plans for ACE in the coming year. We are committed to broadening and deepening our impact in the sector, growing our membership, expanding our training remit and developing our advocacy skills. The Retail Resilience project will enter its second year and reach even more museums, making a real difference to the level of skill and knowledge in the sector. We very much look forward to welcoming our first ever full-time marketing manager who will help us to improve communication with our members and ensure we develop the types of training and support that will best serve our members' needs. We will also step up engagement with senior sector leaders and key partnership organisations to build our reputation and impact at strategic level in the sector.

We will deliver a full training programme and Annual Convention, and we will revitalise the Best Product Awards and review the levels and types of membership. We are also seeking to establish a fixed base for the Convention that will allow us to grow the tradeshow and make it an even more important part of the retail calendar for both full and associate members. Crucially, during 2016/17 we will develop a five year plan for the organisation that will set out how we intend to support member organisations of all types and help sector colleagues at all points in their career.



HISTORY OF ACE

The Group for Museum Publishing and Shop Management was founded in 1978 at a time when retail activity in museums was usually represented by postcard and guidebook sales. The genesis behind the creation of an association was a genuine desire to improve the retail offer to the visiting public and in doing so to generate income to support the cultural offer. From the beginning the emphasis was on raising the sector's profile and on self-help and the sharing of information.

Over time, retail and trading activity became ever more important to the sector, and the Group metamorphosed into the Museum Trading and Publishing Group, then the Museum Trading Association, and finally to the Association for Cultural Enterprises with a widened remit that went beyond museums to take in many more types of cultural institutions including churches, gardens, galleries and historic houses.

Registered as a charity in 2008, ACE has a constitution that delivers public benefit through support and training of member organisations in the cultural sector. ACE established a trading subsidiary, Cultural Enterprises (Trading) Limited in 2013.

FINANCE REPORT

FINANCE

The introduction of the Arts Council funded Retail Resilience Programme has transformed the finances of ACE, adding 42 percent more income in the form of a restricted fund of £114k. Despite a 14 percent increase in membership, unrestricted income only increased by 5 percent this year, and overall, our total income in 2015/16 was £401k (2014/15: £274k). With total expenditure of £356k, the charity had net income of £45k (2014/15: £8k) of which 40 percent (£18k) relates to the restricted fund and cannot be applied for other purposes.

Having put behind us the bookkeeping problems that affected us in the last few years, we are satisfied that ACE is now on a sound financial footing. This year we also appointed Moore Stephens as our new Independent Examiner, and we would like to thank the previous Independent Examiner, Knox Cropper for their work on our behalf.

We ended the year with funds carried forward of £269k of which £18k relates to the restricted fund, and we have made a number of designations of the unrestricted funds in order to support the Charity's future plans. As promised last year, we have reviewed the Charity's Reserves Policy (see below), taking into account the strategic direction of the charity, the views of ACE members, and the most recent guidance from the Charity Commission. We will continue to keep the level of reserves under close scrutiny.

To maintain access, funds are currently invested in short-term cash deposits in the UK.

RESERVES POLICY

Reserves are held to fund working capital, off-set unforeseeable shortfalls in income and to provide resources for future activities. The Trustees have identified the following key factors in setting the level of reserves:

- The level of volatility in our income;
- The level of dependency on the Annual Convention and our plans for the future of the Convention; and
- Our plans for the growth of the organisation generally.

(i) Volatility

From a cash flow point of view, alongside the need to fund working capital requirements, ACE needs liquid funds to cope with any unexpected drops in income. Given the impossibility of predicting what this might be, a quantitative approach has been adopted taking three months of operating income/expenditure as a guide for the level of free reserves. On this basis, we aim to keep around £70k - £95k in free reserves; the current level of free reserves is £76k.

(ii) Annual Convention

ACE's annual programme is highly dependent on the Convention: not only is it a significant element of activity for our members but the Tradeshow accounts for over 50 percent of gross unrestricted revenue. The Charity has to commit to conference venues well in advance of raising income from delegate places and there is therefore a risk of irrecoverable expenditure. Because of this we have created the Convention Expenses Fund to cover the cost of the following year's conference and designated £75k to this fund to cover the cost of the 2017 conference in Edinburgh.

In addition, we are currently seeking to broker a three-year deal for the Convention venue and this may require additional upfront finance. We have therefore set aside a further £50k into the fund for this purpose.

(iii) Plans for the growth of the organisation

In 2016/17 we will be employing a marketing manager to support our aspirations for the future development of the Charity. We expect the activities of this new person to lead to expansion of the membership and a growth in income, but it is likely that there will be a time lag associated with this. Therefore, we have set aside £50k in the ACE Development Fund to support this post in the first year.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity and the group is exposed, in particular those related to the operations and finances of the Charity and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

TRUSTEES' REPORT

OBJECTS AND PUBLIC BENEFIT

ACE is a charity, established to deliver public benefit through the promotion of excellence in cultural retailing which contributes to the resilience and sustainability of heritage and cultural institutions across the UK.

In planning and overseeing ACE's activities for the year, the Trustees have given due consideration to the guidance published by the Charity Commission relating to public benefit. The Trustees have considered how the Charity's activities contribute to our aims and objectives and are satisfied that ACE is delivering benefits to the cultural and heritage sector via its member organisations.

ACE's charitable purposes are part of the Charity's objects as stated in its Articles of Association:

1. To provide education and training for all of its members and the general public on commerce in the cultural and heritage sector; and
2. To promote the voluntary sector for the benefit of the public by assisting voluntary organisations and charities to maximise their revenue by providing a forum for sharing information and ideas on commerce in the cultural and heritage sector.

ACTIVITIES FOR ACHIEVING OBJECTIVES

ACE provides education and training to its members on a wide range of commercial activities (including publishing, licensing, venue hire, film locations, retail and catering) which help members to maximise self-generated income for their heritage organisations. The Charity can call upon a considerable pool of expertise via its staff, Trustees, external experts and via the general membership. All members are encouraged to take full advantage of this expertise via formal training, online tools and through networks and contacts facilitated by the Charity's activities.

Formal learning and development opportunities include:

- One-day Masterclasses delivered by expert trainers.
- Intensive peer to peer Study Days which cover a wide range of trading-related topics.
- An Annual Convention which includes workshops, seminars and plenary sessions.
- The Retail Resilience Programme which provides intensive training in core retail skills.

Other learning and development opportunities include:

- The ACE LinkedIn group which facilitates dialogue and helps share best practice.
- Networking opportunities at the Annual Convention, AGM and other training events.
- Online resources such as videos and blogs.
- The Best Product Awards which raise awareness of the quality of cultural trading.
- The web-based benchmarking tool (in development).

A limited number of bursaries are available for Study Days each year which cover the cost of the delegate fee. To qualify, organisations must be an independent charity or trust, and generate income of less than £50,000 per annum from commercial activities (excluding admission charges).

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE, MANAGEMENT

CONSTITUTION

The Charity's constitution originally consisted of a Memorandum and Articles of Association, adopted at incorporation. These were amended and consolidated at the 2012 AGM into a single set of Articles of Association.

The Trustees established a trading company of the Charity, Cultural Enterprises (Trading) Limited (CET) on 13 September 2013 in order for the Charity to expand its activities and carry them out more profitably and with less risk. CET's activities principally comprise the professional Masterclasses and Convention with any net operating profits being donated to the Charity under gift aid. The results of the company are included within the Charity's consolidated accounts.

APPOINTMENT OF TRUSTEES

All Trustees are required to have one or more of the skills required to govern, manage and steer the Charity effectively. These skills include finance, retail, publishing, licensing, picture libraries, catering, film locations, venue hire, events management and general management expertise. Prospective Trustees are recruited by the means of advertisement on the Charity's website and email broadcast with candidates being interviewed by a panel of Trustees and expert advisers for suitability.

TRUSTEE INDUCTION AND TRAINING

All Trustees are informed of their legal responsibilities to the Charity and of governance procedures generally. Further training is given to new Trustees on appointment.

TRUSTEES

Five new Trustees were appointed in May 2015: Kari Coghill (Historic Scotland), Sue Croxford (Shakespeare Birthplace Trust), Chris Gilbert (London Transport Museum), Julie Molloy (National Gallery), and Rodney Taylor (Royal Armouries).

At the 2015 AGM in November, the above Trustees, along with Nicola Saunders (National Portrait Gallery), and Caroline Brown (British Library) retired and successfully sought re-election by the membership. Chris Needham, who had been acting as Chair of ACE since the resignation of John Stachiewicz, stepped down at the AGM and Caroline Brown was appointed the new Chair. Chris remains an active Trustee, a director of Cultural Enterprises (Trading) Limited, and Chair of the Charity's Finance and Administration Committee. We thank him for his time as ACE Chair.

Under the Charity's constitution, Trustees must be current employees of a member organisation which meant, sadly, that Sue Croxford had to step down in May 2016 when she retired from the Shakespeare Birthplace Trust. We are delighted that Sue is continuing to work with ACE in a freelance capacity. Jackie Colliss Harvey also resigned from the Board in May 2016 and we thank her for her long support of ACE.

KEY MANAGEMENT PERSONNEL

Alongside the Trustees, all five members of staff are considered key management personnel given the current scale of the Charity's operations. This may change in future if the charity grows and will be reviewed annually.

Setting pay within ACE is a matter for the Finance and Administration Committee. Initial salaries are discussed and agreed between the General Manager and the Trustees. An annual review of salaries is undertaken by the Finance Committee which takes into account performance, market rates for similar positions and the prevailing rate of inflation. The committee are not bound to increase salaries annually. There is no bonus scheme or performance related pay mechanism.

None of the Trustees receive remuneration for their roles as Trustees of ACE. Jill Fenwick and the other employees that make up the Key Management Personnel of ACE are salaried staff, employed by the charity. ACE employees are also employees of CET.

ORGANISATION

The Trustees delegate the Charity's day-to-day work and implementation of strategy to the General Manager, Jill Fenwick, who is a full time employee of the Charity and Managing Director of the trading company. There are four further employees, including two staff taken on specifically to design, manage and administer the Retail Resilience Programme.

Training courses are delivered either by staff from member organisations giving their time free of charge, or by industry professionals contracted to ACE or CET.

Accountancy support is provided to both ACE and CET by Sandra Silk Bookkeeping of Salisbury, Wiltshire.

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Association for Cultural Enterprises for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees on 4/11/2016 and signed on their behalf by:



Caroline Brown, Chair

REFERENCE AND ADMINISTRATIVE DETAILS

ASSOCIATION FOR CULTURAL ENTERPRISES

Trustees:

C Brown
 K S Coghill (appointed 21 May 2015)
 J R C Harvey (resigned 27 May 2016)
 S A Croxford (appointed 21 May 2015, resigned 19 May 2016)
 C P Gilbert (appointed 21 May 2015)
 S A Jackson
 J M Molloy (appointed 21 May 2015)
 C M Needham
 D Pearce
 N J Saunders
 D J Smith
 R Taylor (appointed 21 May 2015)

Finance and Administration Committee:

C Brown
 C P Gilbert
 C M Needham (Chair)

Management Team:

J Fenwick – General Manager
 I Foster – Events Coordinator
 J Temperley – Assistant General Manager
 D Evangelides – Retail Resilience Project Manager
 J Goode – Retail Resilience Administrator

Company registered number:

06480726

Charity registered number:

1122763

Registered office:

24 Petworth Road
 Haslemere
 Surrey GU27 2HR

From 3 August 2016:

Registered office:
 c/o Sandra Silk Bookkeeping and Business Services Ltd
 Unit 21 Portway Business Centre
 Old Sarum
 Salisbury SP4 6QX

Principal operating office:

26 Ratcliffe Road
 Haydon Bridge
 Hexham
 Northumberland NE47 6ET

Company secretary:

C P Gilbert

From 19 May 2016:

A Jameson

Independent examiner:

Moore Stephens LLP
 150 Aldersgate Street
 London EC1A 4AB

Bankers:

HSBC plc
 165 Fleet Street
 London EC4A 4DY

Solicitors:

Bates, Wells & Braithwaite London LLP
 10 Queen St. Place
 London EC4R 1BE

CULTURAL ENTERPRISES (TRADING) LIMITED

Directors:

J Fenwick
 C P Gilbert
 A Misquitta
 J Molloy
 C Needham

Company registered number:

08690077

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ASSOCIATION FOR CULTURAL ENTERPRISES

I report on the financial statements of the group for the year ended 31 March 2016 which are set out on pages 14 to 19.

This report is made solely to the group's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the group's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the group and the group's Trustees as a body, for my work or for this report.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The group's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the group is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

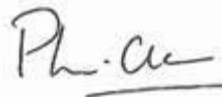
BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the group and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements :
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Philip Clark, FCA

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
150 Aldersgate Street
London
United Kingdom
EC1A 4AB

Dated: 4/11/2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended
31 March 2016

Incorporating income and
expenditure account

	Notes	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Memberships	2	65,798	-	65,798	59,534
Grants	2	-	114,090	114,090	-
Trading activities	4	179,532	-	179,532	173,625
Other activities	3	41,786	-	41,786	40,619
Investments	5	52	-	52	49
Total income		287,168	114,090	401,258	273,827
Expenditure on:					
Trading activities	4	150,396	-	150,396	95,744
Charitable activities	6	109,381	96,468	205,849	170,089
Total expenditure		259,777	96,468	356,245	265,833
Net income/(expenditure) and movement in funds		27,391	17,622	45,013	7,994
Reconciliation of funds:					
Total funds brought forward		223,587	-	223,587	215,593
Total funds carried forward		250,978	17,622	268,600	223,587

All activities relate to continuing operations.

The notes on pages 16 to 19 form part of these financial statements.



CONSOLIDATED BALANCE SHEETS

For the year ended
31 March 2016

	Note	Group 2016 £	2015 £	Charity 2016 £	2015 £
Fixed assets					
Investments		-	-	1	1
Current assets					
Debtors	11	19,573	34,494	56,631	89,236
Cash at bank and in hand		295,264	225,875	223,352	142,343
		314,837	260,369	279,983	231,579
Creditors:					
Amounts falling due within one year	12	(46,237)	(36,782)	(11,384)	(7,993)
Net current assets		268,600	223,587	268,599	223,586
Net assets		268,600	223,587	268,600	223,587
Charity Funds					
Restricted Funds	13	17,622	-	17,622	-
Unrestricted Funds	13	250,978	223,587	250,978	223,587
Total funds		268,600	223,587	268,600	223,587

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 4/11/2016 and signed on their behalf, by:



C Brown

The notes on pages 16 to 19 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

The Association for Cultural Enterprises meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds are unrestricted funds which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Due to the complexity and cost associated with ascertaining the appropriate value of donated venues for Study Days and Master Classes, no accounting entries are included for this.

The value of services provided by volunteers is not incorporated into these financial statements, this includes the services provided by staff of member organisations who present or facilitate at Study Days and other ACE events.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

1.7 Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

1.8 Basis of consolidation

The financial statements consolidate the accounts of the Charity and its wholly owned subsidiary Cultural Enterprises (Trading) Limited.

The Charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Charity was £45,014 (2015 - £7,994).

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company 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.

2. MEMBERSHIPS AND GRANTS	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Full memberships	40,753	-	40,753	34,843
Associate memberships	25,045	-	25,045	22,741
Individual memberships	-	-	-	1,950
	65,798	-	65,798	59,534
Grants	-	114,090	114,090	-
Total memberships and grants	65,798	114,090	179,888	59,534
In 2015, of the total income from memberships and grants, £59,534 was to unrestricted funds and £NIL was to restricted funds				

3. OTHER ACTIVITIES	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Learning and development	41,786	-	41,786	40,619
In 2015, of the total income from other activities, £40,619 was to unrestricted funds and £NIL was to restricted funds.				

4. TRADING ACTIVITIES	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Trading income				
Subsidiary company income	179,532	-	179,532	173,625
Trading expenses				
Subsidiary company expenses	150,396	-	150,396	95,744
Net income from trading activities	29,136	-	29,136	77,881

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

5. INVESTMENTS	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	52	-	52	49
	52	-	52	49

In 2015, of the total investment income, £49 was to unrestricted funds and £NIL was to restricted funds.

6. CHARITABLE ACTIVITIES	Governance £	Raising funds £	Arts council £	Total 2016 £	Total 2015 £
Direct costs (see note 7)	-	15,438	54,606	70,044	23,544
Support costs (see note 8)	14,563	79,381	41,861	135,805	146,545
	14,563	94,819	96,467	205,849	170,089

In 2015, of the total expenditure on charitable activities, £170,089 was to unrestricted funds and £NIL was to restricted funds.

7. DIRECT COSTS	Raising funds £	Arts council £	Total 2016 £	Total 2015 £
Learning and development	14,440	-	14,440	21,966
Conventions and exhibitions	998	-	998	1,578
Legal and professional fees	-	54,606	54,606	-
	15,438	54,606	70,044	23,544

8. SUPPORT COSTS	Governance £	Raising funds £	Arts council £	Total 2016 £	Total 2015 £
Legal and professional fees	480	-	-	480	12,540
Insurance	-	1,154	-	1,154	472
Administrative costs	11,050	7,426	5,617	24,093	20,498
Advertising and marketing	-	432	-	432	17,594
Accountancy fees	-	11,597	-	11,597	13,014
Independent examination fees	1,650	-	-	1,650	2,190
Travel and subsistence	1,383	2,253	6,745	10,381	1,427
Bad and doubtful debts	-	2,125	-	2,125	(12,100)
Wages and salaries	-	50,551	27,397	77,948	84,046
National insurance	-	3,843	2,102	5,945	6,864
	14,563	79,381	41,861	135,805	146,545

9. INDEPENDENT EXAMINERS' REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,650 (2015 - £2,010), and fees for the preparation of the subsidiary's accounts of £750 (2015 - £1,675) which are included within expenditure on trading activities.

	2016 £	2015 £
10. STAFF COSTS		
Staff costs were as follows:		
Wages and salaries	77,948	84,046
Social security costs	5,945	6,864
	83,893	90,910
The average number of persons employed during the year was as follows:	2016 No.	2015 No.
Administration and organisation	5	4

No employee received remuneration amounting to more than £60,000 in either year (2015 - £Nil).

No remuneration, directly or indirectly, out of the Charity's funds was paid or deemed payable for the period to any Trustee or persons known to be connected with them.

Reimbursement of expenses made to Trustees amounted to £529 (2015 - £850).

The key management personnel of the Charity comprise the Trustees and each member of staff employed. Total employee benefits of the key management personnel were £77,948 (2015 - £84,046).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

11. DEBTORS	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	15,573	31,369	717	18,219
Amounts owed by group undertakings	-	-	51,914	68,274
Other debtors	4,000	2,382	4,000	2,000
Payments and accrued income	-	743	-	743
	19,573	34,494	56,631	89,236

12. CREDITORS:	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Amounts falling due within one year				
Trade creditors	30,629	12,046	4,486	2,693
Other taxation and social security	11,342	8,328	3,419	3,291
Other creditors	35	-	-	-
Accruals and deferred income	4,231	16,408	3,479	2,010
	46,237	36,782	11,384	7,994

	Group £	Charity £
Deferred income		
Balance as at 1 April 2015	-	-
Amount deferred in year	1,830	1,830
Balance as at 31 March 2016	1,830	1,830

Deferred income comprises advance payments related to the View from the Top study day which was held on 24 May 2016.

13. SUMMARY OF FUNDS	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
General funds	223,587	287,168	(259,777)	(175,000)	75,978
Designated funds					
ACE development fund	-	-	-	50,000	50,000
Convention expenses fund	-	-	-	125,000	125,000
Restricted funds	-	114,090	(96,468)		17,622
	223,587	401,258	(356,245)	-	268,600

Name of unrestricted fund, description, nature and purpose

General fund:

The 'free reserves' after allowing for all designated funds.

Designated funds:

a) ACE development fund to support the implementation of a new marketing role.

b) Convention expenses fund to cover the cost of the annual conference and deposit required to secure a three-year venue contract.

Name of restricted fund, description, nature and purpose

Museum resilience fund:

Funds provided from Arts Council for The Retail Resilience Programme.

14. RELATED PARTY TRANSACTIONS

There have been no transactions undertaken with related parties during the year.

Member organisations are not considered to be related parties

15. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage shareholding
Cultural Enterprises (Trading) Limited	United Kingdom	100%

BECOME A MEMBER

Full membership of the Association is open to any cultural or heritage organisation that has charitable status, or is otherwise run as a not-for-profit organisation.

Associate membership is open to suppliers of goods and services, including professional consultancy, as well as to individuals, visitor attractions and organisations from outside the EU.

ACE is for you if:

You need to increase your income

You need to diversify your revenue

You need to prove your success

You would benefit from a wider network

You may be looking to change suppliers

acenterprises.org.uk

