



Association  
for Cultural  
Enterprises

40 years supporting  
cultural commerce



**Ernie the Knitted Sailor**

National Museum of the Royal Navy

Winner: Best Overall Product

ACE Best Product Awards 2018

# Annual Report 2017-18

[www.acenterprises.org.uk](http://www.acenterprises.org.uk)  
Registered charity no. 1122763



# Contents

The Trustees of the Association for Cultural Enterprises (ACE) present their Annual Report and consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2018, 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

The past year has been a transformative one for the Association as we received news that we were to receive Arts Council National Portfolio Organisation (NPO) status as a Sector Support Organisation (SSO).

This award builds on the work that was started under the **Retail Resilience Programme**, also Arts Council funded, which completed this year. This programme built on the Association's impact across the Arts Council England regions, leaving a strong legacy of training, networking and online training of which we are very proud.

I would like to take the opportunity to thank all of the team involved in the Retail Resilience Programme, the success of which in no small measure emboldened us to apply to join the National Portfolio.

In November we participated in the first **Museum Shop Sunday** and were delighted by just how successful it was, with great press coverage and high levels of engagement. I very much look forward to seeing its impact grow in 2018 as it champions all of the excellent and creative work ACE members do, as well as the importance this has for visitors to our venues.

In March, despite arctic conditions, we hosted our largest ever **Conference and Trade Show** in Brighton and I would like to thank all of our speakers and delegates, especially our international colleagues, for braving freezing temperatures and unreliable transport to make it another successful year.

As always there are too many individual team members, events, participants and willing volunteers to pay proper tribute to them all, but as I enter into my third year as Chair I would like to celebrate and champion the values that bring us all together as an organisation.

The Association has grown in the last year with an increasing number of permanent staff, a growing membership and growing responsibilities as an employer. It is beholden on the Board and the staff team to ensure that we navigate growth in a sustainable and sensitive manner holding dear to our values, responding to change and delivering on our core purposes.

In an era of fake news, uncertainty and funding challenges we remain committed to sharing (accurate) information, developing skills and supporting our members whatever their roles and at whatever stage they are at in their career.

The positive and supportive culture in which we operate is a testament to the character and positivity of all the Association's members and staff and that, above all else, is at the heart of our success and ability to grow and adapt as the challenges and opportunities of our sector shift and change over time.

Thank you for your continued support.



**Caroline Brown**  
Chair of ACE



# Membership Report

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 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.

Full Membership increased by 4% overall this year, while Associate Membership increased by 6%. We gained a total of 96 new members during the year (64 Full and 32 Associates), including 30 from the final year's intake of **Retail Resilience Programme (RRP)** participants. A total of 75 memberships either lapsed or were cancelled (51 Full and 24 Associates), 32 of which were former Retail Resilience participants whose free year of membership had ended. We are sorry to see any members leave ACE and we are actively looking at ways to bring back those organisations whose membership has lapsed, particularly the smaller organisations who came to us via RRP.

Members have been increasingly engaged with ACE, sharing success stories and case studies in the **weekly e-news** and participating in campaigns such as **Museum Shop Sunday** and **Shop/Café of the Month**. The **members-only LinkedIn group** now has 670 participants, providing a useful platform for debate. There are also regular opportunities for members to meet and exchange learnings in person at **Regional Talking Shops**, as well as **Study Days**, **Masterclasses** and the annual conference.

Associate Member benefits have been expanded to maximise networking opportunities with Full Members, including increased sponsorship and advertising slots, an introductory feature in the weekly e-news and a revamped, easy to browse **ACE Supplier Directory** on the website.





# ACE has...

**368**  
**Full**  
**Members**

**Up 4%**  
from 2017

**143**  
**Associate**  
**Members**

**670**  
**LinkedIn**  
**Participants**

**Up 6%**  
from 2017

# ACE Conference and Trade Show

1-2 March 2018, Brighton

The broad and impressive seminar programme was led by sector experts and included headline speakers from the National Trust, National Theatre, Rijksmuseum, National Portrait Gallery and the Barnes Foundation of Philadelphia. Alongside the presentations, the carefully curated trade show is the biggest of its type in Europe and is an invaluable networking opportunity for industry professionals.

This year's event attracted a record number of delegates, despite the inclement weather, and feedback was both positive and constructive, with members also suggesting ideas for future conferences. We would like to thank all the speakers for the high quality of their presentations and for being so generous with their time and experience. It was a sad consequence that some speakers were unable to attend due to the extreme weather conditions. We look forward to a better outlook in 2019!

Delegates and exhibitors enjoyed two sociable networking events – the Welcome Drinks, held at the Brighton Museum and Art Gallery to open the event on the eve of the conference, and the **Gala Dinner** and **Best Product Awards** at the mid-point of the conference, this year at the Brighton Centre. We are grateful to long-established Associate Members King & McGaw for sponsorship of the Welcome Drinks for the seventh year in a row. Thanks are also due to Steve Bax, MD of British Airways i360, for providing delegates with a thrilling flight and drinks ahead of the Gala Dinner. Our thanks also go to Associate Members who sponsored the conference – Art Angels, Carole Souvenirs, Cornflower, Jigsaw, Museums Association, Yarto, Paula Bolton and Heritage Playing Card Company for helping to make the event such a success.





# ACE Conference and Trade Show

***“Everything that ACE does is just so useful, so informative, really dynamic and really interesting”***

**– Anna Fawcett,  
Winterbourne House &  
Gardens**





# ACE Best Product Awards



In 2018 the Best Product Awards went from strength to strength showcasing the creativity, imagination and resourcefulness of not only the retail and publishing teams in the cultural sector, but also acknowledging expertise in the world of cultural catering and the contribution made to the business by our Associate Members. Following the success of last year's awards all the categories were reviewed, and three new categories – Best Café, Best Shop and Best ACE Supplier – were added.

There were a total of 146 entries this year compared to 119 in 2017, illustrating the increased interest from members and the kudos associated with the **ACE Best Product Awards**. Entries were submitted not only from all regions of the UK but also from our European members.

The judges had an eclectic selection to consider, ranging from exquisitely illustrated and informative publications, locally inspired and manufactured textiles, to quirky and innovative gifts and stationery. All entries were of an exceptionally high standard. *The Best Product Overall* this year, voted for by conference delegates, went to The National Museum of the Royal Navy, for Ernie the Knitted Sailor, which also won *Best Product* (turnover under £1million).

We offer our congratulations and thanks to everyone who submitted entries and look forward to the Awards in 2019.



# Training Programme

Our diverse 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 cultural 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 sector leaders.

Peer-to-peer **Study Days** and professional **Masterclasses** form the major part of our programme, but increasingly we are adding more events with recently introduced popular formats, such as **ACE on Tour**, covering a number of venues in one area, and **Day in the Life**, which takes an intensive look at one successful institution. We have also run successful street tours this year, concentrating on innovative catering offers and retail outlets. These are for small groups, with a different take on close networking and learning on the ground.

It takes a great deal of planning and coordination by Jill Fenwick and the team to ensure that the programme delivers a consistently high level of quality and effectiveness. We welcome input and ideas from all in the ACE community, so please do get in touch ([info@acenterprises.org.uk](mailto:info@acenterprises.org.uk)) if you would like to support us in any way with ideas, venues or speakers.

The content and extent of the programme varies each year, and in 2017/18 we held 22 training Events (12 Study Days, nine Masterclasses, one **Breakfast Briefing**) and engaged with 767 delegates. We also rolled out the final sessions of the **Retail Resilience Programme** which saw a further 100 delegates at five seminars in the West Midlands, South West and South East. In addition, there have been seven **Regional Talking Shops** in the North, with 100 people attending, and a further 130 have attended Talking Shops in the South.

The wide and varied programme of events this year attracted senior speakers from the sector such as Sarah Fellingham-Adkin, Head of Commercial Development, Natural History Museum, Laura Pye, Head of Culture, Bristol City Council, Deyan Sudjic, Director, Design Museum, Axel Ruger, Director, Van Gogh Museum, Lawrence King, CEO, Lawrence King Publishing, Dr Karin Glasemann, Head of Digital, National Museum Sweden, Sara Aspley, Commercial Director, Royal Shakespeare Company.

As always, we are grateful to all our delegates for their enthusiastic participation in the study programme, and for the support of our member institutions who host our events programme and offer the opportunity to explore the diverse collections and commercial businesses at the likes of Chester Zoo, Shakespeare's Birthplace, the British Library, SS Great Britain and M Shed. We would also like to thank all our speakers and presenters who so generously donate their time and experience to ACE.



# Event Calendar 2017-18

4 Apr	Masterclass: Understanding Copyright	Scottish National Portrait Gallery, Edinburgh
25 Apr	Study Day: Ecommerce for Smaller Venues	Royal Armouries, Leeds
4 May	Masterclass: Getting Started in Social Media	Fashion & Textile Museum, London
23 May	View from the Top	Wellcome Collection, London
13 Jun	View from the Top: Publishing	Tate Britain, London
23 Jun	Study Day: Looking at Venue Hire	Wellcome Collection, London
6 Jul	Study Day: Improving Your Commercial KPIs	National Maritime Museum, London
18 Jul	Study Day: Getting Started in Product Development	Thinktank, Birmingham
8 Sep	Masterclass: Inspirational Café Tour	Glasgow
14 Sep	ACE Pub Quiz 2017	The Morpeth Arms, London
19 Sep	A Day in the Life of Chester Zoo	Chester Zoo
26 Sep	ACE on Tour: Bristol	Bristol
29 Sep	Study Day: Aspects of Publishing – Guide & Souvenir Books	Geffrye Museum, London
3 Oct	A Day in the Life of the British Library	British Library, London
10 Oct	Breakfast Briefing: The Data Protection Act Amendments 2018	Bates Wells Braithwaite, London
24 Oct	ACE Picture Library Symposium	Farrer & Co, London
7 Nov	Masterclass: PR for Cultural Retail	Geffrye Museum, London
13 Nov	Annual General Meeting	National Gallery, London
21 Nov	Masterclass: Inspirational Catering Tour	London
28 Nov	Study Day: Staging a Successful Christmas	The Other Place, Stratford-upon-Avon
23 Jan	Masterclass: Creating a World Class Retail Strategy	Geffrye Museum, London
6 Feb	Masterclass: Creating a Destination Shop	Geffrye Museum, London
20 Feb	Masterclass: Inspirational Café Tour	London
1-2 Mar	ACE Conference & Trade Show	Brighton
16 Mar	Masterclass: Visual Merchandising – Creating Narrative Spaces	British Library, London



# Retail Resilience Programme

2017-18 was the third and final year of our Retail Resilience Programme. We set some very ambitious targets and are pleased to report the significant achievements against them.

The programme was planned to work across 180 accredited museums from nine Arts Council regions over a three year period, breaking down into 60 organisations per year, 20 from each region. This target was exceeded, as we had 209 delegates over the nine regions and 180 museums.

Feedback from our delegates has consistently reaffirmed the need for training, support and the network-building that the RRP delivers. Delegates also found the training to be highly motivational, and many report real improvements to their retail offer and trading results.

***“A fantastic, really practical resource, boosting knowledge and confidence. My results speak for themselves”***

**– Lorraine Horne,  
The Oxfordshire Museum**

Now complete, the Retail Resilience Programme leaves a significant legacy of resources and ongoing events, including CultureShop.tv, the ACE Regional Talking Shops and the ACE Retail Benchmarker.



# Retail Resilience Programme

A series of ten short films built around the course uses case studies and interviews with cultural retailers to highlight and expand upon retail topics. This has created a legacy of content that will be relevant for a long time. So far the short films have been viewed over 2000 times and are freely available to participating and non-participating institutions on the ACE website.

**Culture Shop.tv**

**ACE Regional Talking Shops**

These free regional forums have been operating in the North West, Yorkshire, East Midlands, South West, London and the South East. Free to attend, they offer a useful platform for exchanging experience and networking with other professionals in cultural trading in your local area.

Our online benchmarking tool enables institutions to track and analyse their own retail performance, as well as compare with other similar size venues and the sector as a whole. Headline statistics will be available to the wider sector.

**ACE Retail Benchmark**



# Marketing and Communications

The marketing and communications strategy aims to grow membership as well as increase retention levels and promote awareness of ACE within the commercial cultural sector.

As our key communication channel the **weekly e-newsletter** continues to thrive, with contributions from ACE members and regular features recognising success, such as **Shop and Café of the Month**. We now have just under 3,000 subscribers, with consistently healthy open and click-through rates. The e-news has been well received by members who enjoy the weekly contact from ACE, reinforcing our role as a key source of news and information as well as a platform for networking.

26 November 2017 was the first ever **Museum Shop Sunday**, a global collaboration between ACE, the US Museum Store Association (MSA) and the Museum Shops Association of Australia & New Zealand (MSAANZ). Over 120 UK venues and more than 600 organisations worldwide put on special events and promotions, and many saw increased sales and footfall as well as an uplift in online sales and engagement. The hashtag **#museumshopsunday** trended on Twitter all day and we achieved some great press coverage including titles such as Metro and The Londonist. Museum Shop Sunday will return on Sunday 25 November 2018 when we aim to increase participation and grow consumer awareness, establishing Museum Shop Sunday as an annual retail event and thereby raising the profile of cultural retail in the public arena.

Our social media following continues to grow, especially on Twitter where we now have over 1,200 followers, and on Instagram which serves as a platform for showcasing creativity and innovation in cultural retail and catering.

In 2018 the ACE Communications team will grow, with the recruitment of a Director of Digital & Communications, and a Digital Communications Officer. The new team will continue to evolve branding and communications, as well as developing our major new project, the Online Academy.



# The Year Ahead

**We have ambitious plans in the coming year. We are committed to broadening and deepening the impact of the sector, growing our membership, expanding our training remit and increasing our advocacy.**

In 2018/19, we will launch the first phase of a new Online Academy that will extend our reach to those who most need our help and advice and who perhaps may not find it easy to access physical events at times. The Online Academy will provide meaningful content for people at all points in their commercial career and will build to around 80 mixed media modules over the next four years, making it an unparalleled resource in the sector in the UK and globally.

The team at ACE has grown by a further two, with a Director of Digital and Communications and a Digital Communications Officer to support the Online Academy project as well as ACE in general.

Underpinning this ambitious new project and making it financially possible was the exciting news this year that ACE has been granted National Portfolio Organisation (NPO) status as a Sector Support Organisation (SSO) by Arts Council England. We are deeply proud of this opportunity to widen and deepen our ability to support our colleagues through this funding and grateful for this chance to take our training to a wider audience.

In 2018/19 we will deliver a full training programme including the highlight of our calendar, the annual Conference and Trade Show, in Brighton for a second year. This residency was planned so as to allow us to develop long-standing ideas around the event, such as a workshop zone in the trade show so that visitors can learn from peers as well as source great suppliers. There will also be a small but burgeoning designer/maker zone in the show, as we respond to the demand from our colleagues for such products that we will build and nurture in future years. Finally we will continue to invest growing resource into the ACE Best Product Awards.

**ACE is developing and growing its team, event output and trade show, as well as building a robust online learning platform, and developing strong global connections through Museum Shop Sunday and our planned conference bursary exchange scheme with the MSA in 2019.**

**It's a great time to be involved and to become a member.**

**Do come and join this community and help us all become the best we can – through generosity, through sharing and through giving of experience and knowledge.**

# Finance Report

The charity ended 2018 with total funds carried forward of £285k (2017: £297k), which is a reduction of £12k following a net operating deficit in the year. Reserves remain strong and the prospects for charity are good, with a new Arts Council (England) funding stream coming on board from the start of next year.

Compared to 2017, unrestricted income rose by 13% this year with higher membership and a bigger Annual Conference and Trade Show both helping to boost revenue. As expected, restricted income fell as we came to the end of the Retail Resilience Programme funded by Arts Council (England). Overall, total income was 2% less than in the previous year at £485k (2017: £496k).

Our operating costs increased this year, in part due to increased expenditure associated with the larger Conference, and some expected additional costs for the benchmarking project. Unrestricted expenditure by the charity and our subsidiary trading company increased by 40%, leading to a net deficit on unrestricted activities of £18k (2017: net surplus, £54k). By contrast, restricted expenditure associated with the RRP fell as the project came to an end. Following a small transfer of funds, and a minor adjustment to the previous year's figures, the restricted funds balance is now nil (2017: -£7k).

There has been a focus on debt recovery this year and as a result the debtors position at year end is 54% lower than in 2017. The cash position remains strong with funds currently invested in short term cash deposits in the UK to maintain easy access. There is scope for a revised investment policy to generate additional returns, and this will be reviewed in the new year.

Of the funds carried forward, £175k (2017: £205k) has been designated for specific purposes. Expenditure to of total of £30k was met by the ACE Development Fund including mobilisation costs ahead of our move to National Portfolio Organisation status with Arts Council England. Reserves policy and designations are reviewed regularly.

## 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 Conference and Trade Show
- our plans for the growth of the organisation.

### i. Volatility

ACE needs liquid funds for working capital requirements and to cope with any unexpected drop in income. To address this, we take three months of operating income/expenditure as a guide for the level of free reserves (ie unrestricted, general reserves, excluding designated reserves). On this basis, we would aim to keep around £98k - £102k in free reserves. The current value of free reserves is £110k which is slightly above the target range but at an acceptable level.



## **ii. Annual Conference and Trade Show**

ACE's annual programme is highly dependent on the Conference, which accounts for a significant amount of our gross unrestricted revenue. We commit to Conference venues well in advance of raising income, and there is a risk of irrecoverable expenditure. To offset this risk, the Conference Expenses Fund (CEF) was created to cover the cost of the following year's Conference. There was no call on this fund in 2018 and it remains at £75k.

## **iii. Plans for growth**

It is our intention to grow and develop ACE over the coming years, and the ACE Development Fund (ADF) was established to build reserves to fund future growth. £30k of expenditure was met by the ADF this year including detailed work ahead of the NPO SSO bid to Arts Council (England).

Our most ambitious future project is the development of an online training academy, which will require significant investment in technology and content. It is our intention to meet the cost of this project from the £0.8m of NPO SSO funding over the next four years, however, we believe it is prudent to allow for possible additional expenditure. We have therefore set aside £25k per annum for four years (total: £100k) in the ADF.

## **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.

# 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 cultural institutions.

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 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 helps members to maximise self-generated income for their organisations. The Charity can call upon a considerable pool of expertise via its staff, Trustees, external experts and the general membership. All members are encouraged to take advantage of this expertise via formal training and online tools, as well as networks and contacts facilitated by the Charity's activities.

Formal learning and development opportunities include:

- **Masterclasses delivered by expert trainers**
- **Peer to peer Study Days covering a wide range of topics**
- **The annual Conference which includes workshops, seminars and plenary sessions**

Other learning and development opportunities include:

- **The ACE LinkedIn group which facilitates dialogue and helps share best practice**
- **Networking opportunities at the annual Conference, AGM and other training events**
- **Online resources such as Culture Shop**
- **Regional Talking Shops which offer local learning and networking opportunities**
- **The ACE Best Product Awards which raises awareness of the quality of cultural retail**
- **The benchmarking tool**

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).

# Objects and Public Benefit

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## 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 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, theatres, arts centres, religious institutions, historic houses and botanic 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.

## Fundraising

The Association is funded by the subscriptions of its members, payments for education activities and profits from CET. We are also supported by Arts Council England. We do undertake any fundraising activity from the general public and as such we are not subscribed to any particular scheme of fundraising regulation.



# Structure, Governance and Management

## Constitution

The Charity's Constitution originally consisted of a Memorandum and Articles of Association adopted at incorporation. These were amended and consolidated into a single set of Articles of Association. Cultural Enterprises (Trading) Limited (CET) is a subsidiary trading company of the charity established by the Trustees on 13 September 2013 in order for the Charity to expand its activities and carry them out more profitably with less risk. CET's activities comprise principally the Masterclasses and Conference, 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. 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.

## Key Management Personnel

Alongside the Trustees, all six members of staff are considered key management personnel given the current scale of the Charity's operations. This may change 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 and Administration 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 five 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. Secretarial and legal support is provided by Bates Wells Braithwaite.

## Risk

The Charity maintains a risk register which is regularly reviewed and updated by the Finance and Administration Committee and discussed at Board meetings.

# Statement of Trustees' Responsibilities

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 UK 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 01/10/18 and signed on their behalf by:



**Caroline Brown**  
Chair of ACE

# References and Administrative Details

## Association for Cultural Enterprises

Company registered no. 06480726

Charity registered no. 1122763

### Trustees

C Brown  
K S Coghill  
C P Gilbert  
A Misquitta  
J M Molloy  
C M Needham  
D J Smith  
R Taylor  
S A Jackson (resigned 10/09/2018)  
N J Saunders (resigned 15/02/2018)

### Finance Committee

C Brown  
J Fenwick  
C P Gilbert  
C M Needham (Chair)

### Management Team

J Fenwick, Managing Director  
C Pank, Commercial Manager  
J Whitworth, Communications & Media Manager  
I Foster, Events Coordinator  
D Evangelides, Retail Resilience Manager  
J Goode, Retail Resilience Administrator

### Solicitor

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

### Registered Office

Unit 21, Portway Business Centre  
Old Sarum  
Salisbury SP4 6QX

### Independent Examiner

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB

### Company Secretary

A Jameson

### Banker

HSBC plc  
165 Fleet Street  
London EC4A 4DY

### Principal Trading Office

PO Box 273  
Hexham  
NE46 9GQ



# Independent Examiner's Report

## Independent examiner's report to the Trustees of The Association for Cultural Enterprises (the 'group')

I report to the charity Trustees on my examination of the consolidated accounts of the group comprising The Association for Cultural Enterprises ('the parent charity') and its subsidiary undertakings for the year ended 31 March 2018.

### Responsibilities and basis of report

As the Trustees of the parent company (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the group. You are satisfied that the accounts of both parent company and the group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the group's accounts carried out under section 152 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

### Independent Examiner's Statement

Since gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Financial Conduct Authority (FCA), which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the parent company and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or

# Independent Examiner's Report

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4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

## Use of my report

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the Charity'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 Charity and the Charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Signed:

Dated:

Philip Clark FCA

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

# Consolidated Statement of Financial Activities

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	2018 £	2018 £	2018 £	2017 £
<b>Income from:</b>					
Memberships	2	70,255	-	70,255	67,397
Grants	2	-	93,754	93,754	149,274
Other activities					
Educational activities	3	67,430	-	67,430	46,190
Trading activities	4	253,942	-	253,942	232,531
Investments	5	104	-	104	127
<b>Total Income</b>		<b>391,731</b>	<b>93,754</b>	<b>485,485</b>	<b>495,519</b>
<b>Expenditure on:</b>					
Trading activities	4	227,954	-	227,954	161,719
Charitable activities	6	181,419	87,990	269,409	305,335
<b>Total expenditure</b>		<b>409,373</b>	<b>87,990</b>	<b>497,363</b>	<b>467,054</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(17,642)</b>	<b>5,764</b>	<b>(11,878)</b>	<b>28,465</b>
Transfer between funds		(1,715)	1,715	-	-
<b>Net movement in funds</b>		<b>(19,357)</b>	<b>7,479</b>	<b>(11,878)</b>	<b>28,465</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		304,544	(7,479)	297,065	268,600
<b>Total funds carried forward</b>		<b>285,187</b>	<b>-</b>	<b>285,187</b>	<b>297,065</b>

All activities relate to continuing operations.  
The notes on pages 26 to 34 form part of these financial statements.



# Balance Sheet

	Note	Group 2018	Group 2017	Charity 2018	Charity 2017
<b>Fixed assets</b>					
Tangible assets	10	<b>699</b>	458	<b>699</b>	458
Investments				<b>1</b>	1
		<b>699</b>	458	<b>700</b>	459
<b>Current assets</b>					
Debtors	11	<b>16,735</b>	36,674	<b>53,239</b>	123,165
Cash at bank & in hand		<b>292,410</b>	293,074	<b>243,941</b>	192,080
		<b>309,145</b>	329,748	<b>297,180</b>	315,245
<b>Creditors:</b> amounts falling due within one year	12	<b>(24,657)</b>	(33,141)	<b>(12,693)</b>	(18,639)
<b>Net current assets</b>		<b>284,488</b>	296,607	<b>284,487</b>	296,606
<b>Net assets</b>		<b>285,187</b>	297,065	<b>285,187</b>	297,065
<b>Charity Funds</b>					
Restricted funds	13	-	(7,479)	-	(7,478)
Unrestricted funds	13	<b>285,187</b>	304,544	<b>285,187</b>	304,544
<b>Total funds</b>		<b>285,187</b>	297,065	<b>285,187</b>	297,065

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 01/10/18 and signed on their behalf, by:



**Caroline Brown**  
Chair of ACE

The notes on pages 26 to 34 form part of these financial statements.

# Notes to Financial Statements

## 1. Accounting Policies

### 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) (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 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 21. 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.

### 1.3 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.

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.

### 1.4 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. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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. The charity utilises voluntary speakers as well as extra Trustee time and does not recognise this service as a gift in kind.

# Notes to Financial Statements

## 1.5 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 equally between the charity and company.

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. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

## 1.6 Going concern

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

## 1.7 Basis of consolidation

The financial statements consolidate the accounts of the Charity and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within section 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 - £11,878 (2017 £28,465).

## 1.8 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.

## 1.9 Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Computer equipment - straight line over 3 years

## 1.10 Debtors

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



# Notes to Financial Statements

## 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 pretax 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.

## 1.14 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgements are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Management do not consider there to be any material accounting estimates or judgements that need disclosure in these financial statements.

## 2. Memberships and Grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Full memberships	39,495	-	39,495	37,807
Associate memberships	30,760	-	30,760	29,590
	<b>70,255</b>	<b>-</b>	<b>70,255</b>	<b>67,397</b>
Grants (Arts Council England)	-	93,754	93,754	149,274
Subtotal	<b>70,255</b>	<b>93,754</b>	<b>164,009</b>	<b>216,671</b>
Total donations & Grants	<b>70,255</b>	<b>93,754</b>	<b>164,009</b>	<b>216,671</b>
Total 2017	67,397	149,271	216,671	

# Notes to Financial Statements

## 3. Educational Activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Learning & Development	41,300	-	41,300	46,190
Reimbursement Expenses	230	-	230	-
Donated Gifts & Services	25,900	-	25,900	-
	<b>67,430</b>	<b>-</b>	<b>67,430</b>	<b>46,190</b>
Total 2017	46,190	-	46,190	

The charity is grateful to various organisations who donate their services and facilities for free or for reduced charge. An equivalent charge is included within charitable activities.

## 4. Trading Activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
<b>Trading Income</b>				
Subsidiary company income	253,942	-	253,942	232,531
<b>Trading Expenses</b>				
Subsidiary company income	227,954	-	67,430	46,190
Net income from trading activities	25,988	-	25,988	70,812

## 5. Investments

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Bank interest	104	-	104	127
Total 2017	127	-	127	

# Notes to Financial Statements

## 6. Charitable Activities

	Governance	Administration & Organisation	Retail Resilience Programme	Total 2018	Total 2017
	£	£	£	£	£
Direct costs	-	40,175	37,271	77,446	139,191
Support costs	9,572	131,672	50,719	191,963	166,144
	<b>9,572</b>	<b>171,847</b>	<b>87,990</b>	<b>269,409</b>	<b>305,335</b>
Total 2017	9,971	120,989	174,375	305,335	

## 7. Direct Costs

	Administration & Organisation	Retail Resilience Programme	Total 2018	Total 2017
	£	£	£	£
Learning & development	20,431	-	20,431	28,778
Conferences & exhibitions	844	-	844	979
Development costs	-	12,140	12,140	68,764
Training day costs	-	25,131	25,131	40,670
Donated gifts & services	18,900	-	18,900	-
	<b>40,175</b>	<b>37,271</b>	<b>77,446</b>	<b>139,191</b>
Total 2017	29,757	109,434	139,191	



# Notes to Financial Statements

## 8. Support Costs

	Governance	Administration & Organisation	Retail Resilience Programme	Total 2018	Total 2017
	£	£	£	£	£
Legal & professional fees	360	8,782	507	9,649	-
Insurance	-	796	-	796	557
Administrative costs	219	22,840	2,354	25,413	34,463
Advertising & marketing	-	1,767	125	1,892	1,609
Accountancy fees	-	7,587	-	7,587	5,870
Independent examination fees	1,993	-	-	1,993	1,980
Travel & subsistence	-	22,144	5,280	27,424	15,206
Wages & salaries	-	59,878	38,145	98,023	96,122
Social Security costs	-	5,089	2,444	7,533	7,386
Pension costs	-	2,789	1,864	4,653	2,951
Donated gifts & services	7,000	-	-	7,000	-
	<b>9,572</b>	<b>131,672</b>	<b>50,719</b>	<b>191,963</b>	<b>166,144</b>
Total 2017	9,971	91,232	64,941	166,144	

## 9. Staff Costs

Staff costs were as follows:

	2018	2017
	£	£
Wages & salaries	98,023	96,122
Social security costs	7,533	7,386
Pension costs	4,653	2,951
	<b>110,209</b>	<b>106,459</b>

The average number of persons employed by the company during the year was as follows:

	2018	2017
	No.	No.
Administration & organisation	6	6

# Notes to Financial Statements

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, directly or indirectly, was paid or deemed payable for either period to any Trustee or persons known to be connected with them. Reimbursement of expenses made to Trustees amounted to £315 in 2018, and £361 in 2017.

The key management personnel comprises the Trustees and each member of staff employed. Total employee benefits of the key management personnel were £102,676 in 2018 and £99,073 in 2017.

## 10. Tangible Fixed Assets – Group

	Computer equipment £	Total £
<b>Cost</b>		
At 1 April 2017	458	458
Additions	500	500
At 31 March 2018	958	958
<b>Depreciation</b>		
At 1 April 2017	-	-
Charge for the year	259	259
At 31 March 2018	259	259
<b>Net book value</b>		
At 31 March 2018	699	699
At 31 March 2017	458	458

## 11. Debtors

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	7,135	27,799	1,975	3,808
Amounts owed by group undertakings	-	-	41,664	115,357
Other debtors	-	4,000	-	4,000
Prepayments and accrued income	9,600	4,875	9,600	-
	16,735	36,674	53,239	123,165

# Notes to Financial Statements

## 12. Creditors: Amounts Falling Due Within One Year

	Group	Group	Charity	Charity
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	8,847	17,286	5,056	11,828
Other taxation & social security	12,173	12,440	4,493	4,146
Other creditors	1,494	1,015	1,494	1,015
Accruals & deferred income	2,143	2,400	1,650	1,650
	<b>24,657</b>	<b>33,141</b>	<b>12,693</b>	<b>18,639</b>

## 13. Summary of Funds

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
General funds	99,544	391,731	(379,373)	(1,715)	110,187
<b>Designated funds:</b>					
- ACE Development Fund	130,000	-	(30,000)	-	100,000
- Conference Expenses Fund	75,000	-	-	-	75,000
Restricted funds	(7,479)	93,754	(87,990)	1,715	-
	<b>297,065</b>	<b>485,485</b>	<b>(497,363)</b>	<b>-</b>	<b>285,187</b>

Name of restricted fund, description, nature and purpose

### General Funds:

'Free reserves' after allowing for designated funds.

### Designated Funds:

ACE Development Fund: To support the growth of ACE and the ancillary expenditure associated with preparation and implementation of the proposed Arts Council funded Online Academy project. These funds will be used over the next four years.

Conference Expenses Fund: To cover the cost of the annual Conference for the following year if the necessary income cannot be raised.



# Notes to Financial Statements

## Restricted Funds:

The Retail Resilience Programme: Funds provided from Arts Council for The Retail Resilience Programme. This programme ended in the year and the balance of the fund at year end was £Nil.

## 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

### Cultural Enterprises (Trading) Limited

Subsidiary name	Cultural Enterprises (Trading) Limited
Company registration number	08690077
Country	United Kingdom
Equity shareholding %	100%

The net assets for the year dealt with in the accounts of the subsidiary was £1 (2017: £1).



# Annual Report 2017-18

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Registered charity no. 1122763

