



Association of Chief Executives of Voluntary Organisations

Trustees' Report

and

Consolidated Financial Statements for the year ended

31 March 2019

Company number: 03514635

Registered Charity number: 1114591

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The board of trustees of the Association of Chief Executives of Voluntary Organisations (ACEVO) presents its report with the consolidated financial statements for the year ended 31 March 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 26 and comply with the Charities Act 2011, the Companies Act 2006, the charitable company's Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice 2015 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

CHAIR AND CEO'S WELCOME

For our society to thrive, we need a strong, vibrant civil society. For civil society to thrive, it needs leaders who have the energy, ability and motivation to make a difference.

That's where ACEVO comes in. As the network for civil society leaders, we provide inspiration, support, connection, advocacy and skills to executive leaders across civil society. We celebrate and champion their dedication, professionalism, quality and expertise. We share examples of good practice, and hold a mirror up to areas where our sector and its leaders must do better.

We demonstrate the value of investing in our sector's leaders to strengthen the impact they can achieve. We are there for our members throughout their career, including times of crisis, offering support and practical advice. We connect members with their peers for conversation, learning and support. We encourage learning in leadership and governance and help our members navigate a fast-changing world.

Our policy work amplifies the voices of our members and stimulates debate that leads to the improvement of sector standards and stronger leadership.

And we help to develop a pipeline of civil society leaders of tomorrow, who will continue to carry the torch of effective and impactful leadership into the future.

2018 has been a good year for ACEVO, with a growing membership base, increased engagement, financial stability and impactful work. As a new chair and chief executive partnership, we both look forward to continuing to deliver for our members to enable them to make the biggest difference they can.

Rosie Ferguson, chair and Vicky Browning, CEO

"Being in ACEVO is important because it directly benefits both me and my organisation, on top of the side (but also important) benefits of sector influence. I would definitely recommend joining ACEVO to other CEOs." Polly Neate, CEO, Shelter

OUR VISION AND PURPOSE

ACEVO is the Association of Chief Executives of Voluntary Organisations. We're a network of 1,200 CEOs and aspiring CEOs who head up everything from small, community based groups, to ambitious medium-sized organisations, to well known, well-loved national and international not-for-profits.

Our leaders drive positive change in their organisations and in their communities, and our peer-to-peer network supports and encourages them throughout their career.

ACEVO's vision is to see civil society leaders making the biggest possible difference. Together with our network we inspire and support civil society leaders by providing connections, advocacy and skills.

Our values are to be:

- **Member-driven:** We involve our members and include them in our thinking. We are driven by their needs and their potential to achieve change.
- **Connected:** We achieve more through bringing people together, building the relationships and networks that generate confidence and belief.
- **Ambitious:** We are bold, confident, energetic and vibrant. We are both agile and entrepreneurial in leading and supporting our members in the challenges ahead.
- **Honest:** We always act with integrity and in the best interests of our members. We do what we say we will do and are open about both our objectives and our impact.

OUR PUBLIC BENEFIT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and activities, and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the objectives and activities that have been set.

ACEVO's public benefit is delivered through the contribution it makes to civil society and beyond: our 'ripple effect'. By supporting CEOs and strengthening leadership within the sector, ACEVO enables its members to have a greater impact on their organisations and - through them - their beneficiaries and causes. We believe that investing in our sector's leaders strengthens the impact they achieve.

ACTIVITIES, ACHIEVEMENTS AND FUTURE PLANS

Achievements against our strategy

In July 2018, ACEVO published a new three year strategy based on our vision and purpose. Here we report our progress and plans against each of the five strategic strands (inspiration, support, connection, advocacy and skills) and the financial performance and governance which support our ability to deliver our strategic objectives and maintain our financial sustainability.

This year we have developed a theory of change for ACEVO which was approved by our board in March 2019. We will use this to develop methods and metrics for demonstrating our impact, so that next year we will be able to report not just on outputs and activities as here, but also on outcomes and impact as we refine and measure against our theory of change.

Inspiration

Our ambition is to showcase good leadership within civil society to inspire by example.

This year:

- In partnership with the Leadership Trust Foundation we awarded ACEVO Fellowships to five sector leaders whose work has been identified by their peers as outstanding, and whose achievements deserve greater recognition. Our 2018 Fellows were: **Arti Sharma**, deputy CEO, City Year UK; **Becky Aldridge**, CEO, Dorset Mental Health Forum; **Janet Thorne**, CEO, Reach Volunteering; **Jolanta Lasota**, CEO, Ambitious About Autism; **Kevin Kibble**, CEO, Nurture Group Network.
- We hosted over 50 events featuring inspiring speakers from within our membership and beyond, enabling high quality learning and sharing between peers.
- Hiring a dedicated comms officer meant that between November 2018 and March 2019 the number of views to our blogsite increased from 309 per month to 1,954. Meanwhile, traffic to our website and our Twitter following each increased by 13%.
- We undertook a comprehensive review of ACEVO's existing brand to make it more inspiring and exciting to our members and wider audience, and better align our brand with the vitality of our vision.

What we learned:

- The knowledge within our audiences is as valuable as that of our speakers and we need to ensure we always allow opportunities for peer-sharing at ACEVO events.

*"I liked the way in which the CEO Forum was a real dialogue - after a set piece presentation, panel members responded in a cogent way to comments from the group. This took the discussion to a further level. Contributions from ACEVO members were well thought through and contributed greatly to the discussion." **Helen Hewitt, CEO, Chailey Heritage Foundation***

- Increasing digital content and improving our online presence requires a targeted and focused approach. Having this focus has enabled us to increase our digital output and our social media engagement as well as look at developing new ways of engaging with members.

Next year:

- We will launch our new podcast Leadership Worth Sharing, which aims to champion, promote and inspire great civil society leadership.
- In March 2019 our board approved a 'refreshed' brand designed to inspire our members. This will be launched along with our new website later in 2019.

Support

Our ambition is for civil society leaders to feel supported and connected through their membership.

This year:

- We gave practical support to 117 members through our governance and member advice lines, including 13 members who accessed the service early enough to identify potential problems and work with us to directly prevent a crisis developing in their relationship with their chair.
- 52 members received support and advice through the CEO in Crisis service.

"CEO in Crisis is a brilliant service that combines practical and emotional support, grounded in years of expertise of supporting CEOs in all kinds of circumstances. Having a sympathetic, sensible sounding board and a ton of 'what next' tips made all the difference to me." **Katie Ghose**

- 31 members accessed free coaching through Henley Business School to help them develop as leaders, apply new skills, deliver organisational change or deal with workplace stress.

"I've found the Henley Business School coaching scheme phenomenally useful. My coach's support has made a real difference to the way I approach the challenges facing the organisation. Indeed, some of the challenges I was facing at the start of the scheme seem like a distant memory, and other challenges which are still with us seem more surmountable." **Penny Wilson, CEO, Getting On Board**

- ACEVO remains part of the cross-sector steering group for the Charity Governance Code and we worked to promote the Code to members, as well as applying it to our own governance processes (see p15).
- We matched a record 70 members with mentors, up from 34 matches in 2017-18. We are grateful to CCLA Investment Management for its support for our mentoring scheme.

"My mentor is great and a fantastic match for me. She's really perceptive and wise and the fact that she's faced similar challenges or issues before is a real help." **Richard Davidson, CEO, Sarcoma UK**

What we learned:

- While our services include legal advice, emotional support, coaching and building resilience, members most value receiving timely advice and having a safe space for an honest conversation.
- We need to be better at horizon-scanning to ensure we can help members face the challenges ahead.
- It pays to encourage members to talk to us early on when problems arise.

Next year:

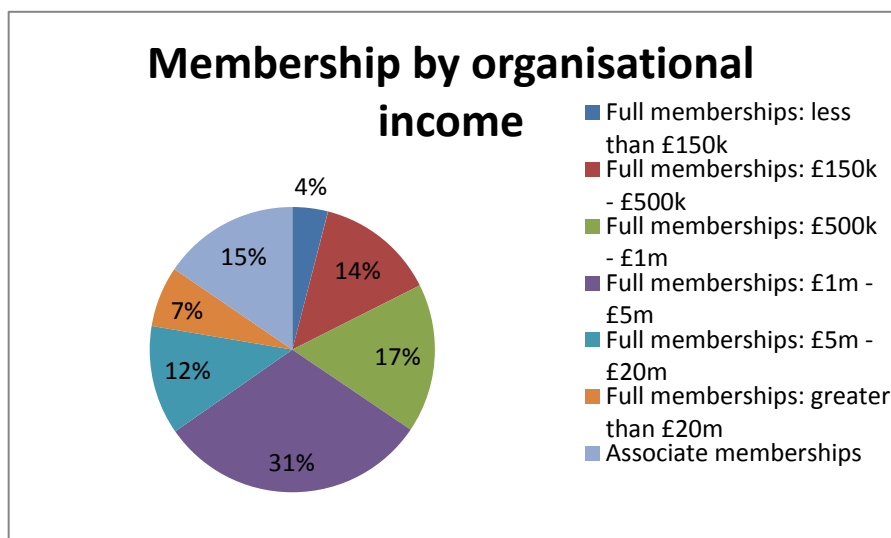
- Having begun a full review of member advice and support services, we will implement our findings through 2019, to further strengthen our offering.
- We will build our ability to undertake more preventative work with members to tackle challenges early.

Connections

Our ambition is to build our network of civil society leaders to enable peer support and widen the reach of our services

This year:

- Our network grew by 8% to 1,195 members (2018: 1,105).



- We achieved an average annual member retention rate of 82% (2018: 80%). During 2018-19, 70% members engaged with ACEVO's benefits and services in some way.
- We hoped to launch a new website this year, but – predictably – the project timelines shifted. We have made good progress and are on track to launch in 2019.

What we learned:

- Engaging personally with members at the very start of their connection with us (through new member phone calls and meet-ups) significantly encourages the take up of member benefits.

Next year:

- We will continue to grow our network through our focus on retention and engagement of members.
- We will develop more digital services to strengthen ACEVO's connection with its members and to facilitate our members' direct engagement with each other

"I've been in the voluntary sector for 20 plus years now, and in my role as chief executive ACEVO has been great in terms of networking, meeting other chief executives, sharing the same problems and having an opportunity to discuss the issues which are the most relevant to charities in general as well as my own organisation." **David Barker, CEO, Youth Talk**

Advocacy

Our ambition is for our policy work to amplify the voices of our members and represent their interests.

This year:

- We focused our advocacy work on our five policy pillars: effective regulation, freedom to campaign, greater diversity, better commissioning practice and safer cultures.
- In May 2018 we submitted [ACEVO's response](#) to the government's Civil Society Strategy consultation and in March 2019 we attended a ministerial roundtable chaired by the minister for civil society to talk about the next steps for the strategy. In late 2018 our then chair Joe Irvin contributed to discussions on the development of the Labour party's Civil Society Strategy which is to be released in 2019.
- We launched two key leadership reports promoting better sector standards and stronger leadership: [Leading with values: creating a safe organisational culture](#) and [Racial diversity in the charity sector.](#)

The report on racial diversity, released in partnership with Institute of Fundraising, included a list of eight principles we asked leaders to sign up to in order to tackle the diversity deficit. By the end of this year 62 leaders had signed up to the principles.

- In October 2018 we coordinated a [letter from sector leaders to the Times](#) in response to an article the paper published on anti-advocacy clauses in charity contracts from the Department of Work and Pensions. One of ACEVO's trustees, Sue Tibballs, also spoke on the Today programme about the need to reform or remove anti-advocacy clauses in all government grants and contracts.
- Our CEO Vicky Browning was appointed as the bullying and harassment lead on the Department for Digital, Culture, Media and Sport's Safeguarding Programme Group. The group's purpose is to support a programme of work that aims to ensure charities create safe cultures and environments for all those who come into contact with them.
- ACEVO member Chris Sherwood, CEO of the RSPCA, represented ACEVO in the discussions held by HM Courts and Tribunals Service about the revamp of the legacy notification service.

What we learned:

- Engaging with members who wish to attend cross-sector meetings as both representatives of ACEVO and their own organisations helps to distribute power across our membership, and makes the best use of the breadth of talent and expertise of our members.
- Civil society often reflects the very best of individuals, communities and society: compassion, empathy, problem solving, innovation and creativity. But our sector is not immune from behaviours and actions that cause inequality and harm. In order to create stronger leaders and a stronger civil society, we cannot just talk about the positive parts of our sector: we must tackle the negative aspects head on and make long-term commitments to action.
- The language used by government in the Civil Society Strategy marks a change of direction from previous years. The strategy talked about the value of civil society to a healthy society and referred positively to the use of grants, rather than being commissioning focused to the exclusion of all else, and the positive role of charity campaigning. However, this rhetoric hasn't yet been matched by action and the sector must continue to ask for substantive action, not just style.
- ACEVO has prioritised responding to media requests that have a direct link to leadership and/or to our policy pillars. This has resulted in fewer media quotes and interviews than in recent years. However we believe that the quotes and interviews which have been published are better aligned with our stated strategic and policy objectives.

Next year:

- We are working with Centre for Mental Health on a research report looking at bullying in the charity sector and the role of the leader in creating a safe culture.
- We will continue to promote the racial diversity principles and start a new project to support leaders who want to commit to the principles to put them into practice.
- We will continue to hold the government and Office for Civil Society to account on fulfilling the commitments made in the [Civil Society Strategy](#).

Skills

Our ambition is for ACEVO to develop the skills and competencies of civil society leaders.

This year:

- Working with a task-and-finish group of ACEVO members, we have developed a set of leadership competencies identifying the six skillsets every active leader needs.
- We held 52 events around the country, including:
 - 19 CEO forums in seven locations around the country attended by 317 members. We increased attendance by ensuring sector relevant and interesting topics and good quality of speakers. In addition, we reviewed the format and timings of each event with local members, and tailored events to different requirements in different locations.

- 11 special interest group (SIG) meetings held across five locations attended by 219 members. In 2018, we re-launched our women in leadership SIG whose meetings are now amongst our most popular events.

*“Great speaker and an opportunity for insight in the dynamics of our sector.” **Chris Griffin**, CEO, Museum of Brands - Arts and Heritage SIG*

- Kindly supported by CCLA Investment Management, we held four ‘Look Out’ lunch meetings attended by 74 members to explore the concept of the connected leader and learn from experts outside the social sector.

*“This was a brilliant event exploring how collaboration can achieve our goals. Thanks so much for the invite, I'm buzzing with ideas!” **Kate Lee**, CEO, CLIC Sargent*

- Nine one-day Leadership Learning workshops were attended by a total of 186 members. The workshops covered a mixture of general leadership and governance subjects as well specific skills training including leading with values, the CEO's role in good governance, the relationship between the CEO and the chair, crisis communications and safeguarding. We are grateful to Sarasin and Partners for its ongoing support for our Leadership Learning series.
- Our annual conference was relaunched in 2018 highlighting ACEVO's new leadership and direction. It was attended by 279 people including delegates, sponsors, exhibitors, speakers and staff. Delegate feedback showed 98% of attendees felt inspired by the event, 95% said they'd connected with people that will help them or their organisation develop and 92% said they had developed knowledge of skills to enable them to be a better leader. The conference was supported by our two main sponsors, Ruffer and Stone King and 20 corporate exhibitors.

*“An excellent conference - one of the best I have been to in the charity sector.” **Matt Hyde**, CEO, The Scouts*

- We held our popular 12 week Emerging Leaders programme twice from May to July and March to May for 24 future leaders and aspiring CEOs.
- In September 2018 we launched the Jane Slowey Memorial Membership programme in association with friends of Jane's, the former CEO of the Foyer Foundation and vice chair of NCVO who sadly died the previous year. The objective was to provide expert support, guidance, advice and mentoring for women who are newly appointed civil society CEOs with priority given to those who are under 45, from BAME backgrounds and/or who have a disability. Eight individuals were chosen for cohort one of the programme which runs from 1 January 2019 to 31 December 2020: **Ciara Davies**, CEO, Metro Moneywise Credit Union, **Precious Sithole**, CEO, Social Practice (ENT) Ltd., **Emily Banks**, founder and CEO, Stack, **Carol Akiwumi**, CEO, Money4Youth, **Tara-Jane Sutcliffe**, director, UNA Exchange, **Ropinder Gill**, CEO, Lymphoma Action, **Jilna Shah**, CEO, Migrants' Rights Network and **Karen Pearse**, director, Volition.

*“I feel greatly honoured to be associated with the legacy of Jane Slowey, who advocated for gender equality in third sector leadership. My goal is to keep up this momentum, and help pave the way for even more women and diverse groups.” **Precious Sithole**, CEO, Social Practice (ENT) Ltd.*

- We worked with a number of partners to widen the reach and impact of our work and offer:
 - We launched a new member service with the Institute of Leadership & Management to help civil society leaders develop their leadership skills via access to the MyLeadership e-learning tool. In six months 25 members signed up, with one taking over 79 assessments during that time.
 - With nfpSynergy we released the first in a series of joint papers on trust in the charity sector to create a more balanced discussion about the nuance of trust in charities.
 - We formed a Race Advisory Group to inform and advise us on our work to improve racial diversity in charity sector leadership.

- We have worked closely with fellow membership bodies and charities on topics including equity, diversity and inclusion, Community Wealth Fund, campaigning regulation reform, Autumn budget and Brexit. We'd like to thank the partners we've worked alongside this year including Association of Chairs, Association of Charitable Foundations, Centre for Mental Health, Charity Finance Group, Directory of Social Change, Institute of Fundraising, NAVCA, NCVO, Quakers, Small Charities Coalition, Voice for Change England, WCVA and more.

What we learned:

- Better analysis of event evaluation and feedback is vital for planning events which resonate with and add value to attendees; we need to be better at responding to the needs of members at a local level.
- While the Jane Slowey Memorial programme is a ground-breaking initiative, there remains a huge unmet need for programmes which support young, BAME and disabled women within our sector to progress in their leadership ambitions
- We are keen not to duplicate efforts when other civil society groups are already working on issues or have expertise that we do not. However, we appreciate that this can sometimes appear as though we have not prioritised an issue which is a high priority for a member. Brexit is a good example of this tension. Brexit has dominated the political agenda this year and ACEVO has engaged with the Office for Civil Society on a number of occasions but we decided that the bulk of our effort would be in supporting the policy and lobbying expertise of the [Brexit Civil Society Alliance](#). ACEVO, like most charities, has limited resource and we need to be targeted and strategic with our distribution of resources. When the work of a fellow civil society group is in line with our values, informed and helpful to members we will prioritise supporting it over starting our own new or separate piece of work. ACEVO members are always welcome to contact the policy team to discuss a line or our approach to a topic that impacts them. We encourage feedback, even when it is not positive; we will always seek to be responsive to members' views.

Next year:

- Our leadership competencies will be launched to members in May, with the new competencies to be included in our full range of leadership development programmes.
- We are committed to continue to work in partnership with a wide range of collaborators, including with Civil Society Futures to follow up with the PACT report released this year.

Financial sustainability

We will secure the income and resources required to deliver our strategic objectives and maintain our financial sustainability.

Non-member earned income

Corporate partners and sponsors

This year:

- Thanks to the support of 39 corporate organisations which share our vision of encouraging effective and inspiring civil society leadership, ACEVO's corporate income grew by 23%.
- Many of our corporate partners supply goods and services to charities and social enterprises and are pleased to offer ACEVO members free support, advice, preferential rates and discounts. We're particularly grateful to several key supporters:

Access, CCLA, Charles Stanley, Compass Executives, Ellis Whittam, EnergyCentric, haysmacintyre, Hempsons, Ruffer, Sarasin and Partners, SecondSight, Stone King and uCheck.
- The ACEVO jobs board carried 90 jobs over the year from over 60 organisations. Jobseekers made 2,690 vacancy searches and our best performing campaign received 379 views with 39 responses.
- ACEVO's DBS service in partnership with uCheck processed 2,654 searches from over 70 organisations.

Next year:

- We are looking to continue to grow and diversify our non-member corporate income through developing new products and services with a triple value proposition: for our members, for our

corporate partners and for ACEVO.

- We will further establish ACEVO Jobs as an effective, affordable, sector specific recruitment platform. We are also looking to work with a partner to tackle the lack of racial diversity on interview panels.

“We thoroughly enjoy working with ACEVO.” John Handford, head of charities marketing, Sarasin and Partners

Grant funding

ACEVO has been grateful for the support of a number of trusts, foundations and grantors in 2018-19. Through funding our work, these organisations have demonstrated their belief in ACEVO as a vital part of a successful, impactful voluntary sector and enabled our members to create the change they believe is essential to their beneficiaries. Thanks to Barrow Cadbury Trust, Calouste Gulbenkian Foundation, Department of Digital, Culture, Media and Sport, Lloyds Bank Foundation, National Lottery Awards for All, Pears Foundation, Paul Hamlyn Foundation and Woodford Investment Management.

FINANCIAL REVIEW

Details of the ACEVO Group income and expenditure for the year are set out on page 21. Income for the year was £1,000,655 (2018: £888,130); costs were £885,327 (2018: £826,222). The surplus in 2018-19 was £115,328 including an unrestricted surplus of £45,371 (2018: £66,560) and restricted funds carried forward of £69,957. The application of funds in support of ACEVO's charitable activities is disclosed in note 19. At 31 March 2019 total group fund balances increased to £333,672 (2018: £218,344).

ACEVO Solutions Ltd is a wholly owned subsidiary company of ACEVO, delivering corporate sponsorship and affinity activity which support ACEVO's main charitable activities. ACEVO Solutions made a surplus of £93,324 during the year (2018: £119,329) (see note 13). This will be paid to ACEVO as a distribution.

Reserves policy

The trustees have considered the level of free reserves it is appropriate for the charity to hold in order to ensure its financial sustainability, future strategic development and continuing to operate and meet the needs of members in the event that unforeseen and potentially financially damaging circumstances arise. They have taken into account the reliability and continuance of future income generation and funding, timing of cash flow and working capital requirements and cover for unplanned emergency repairs and premises costs. Free reserves represent unrestricted funds of the charity excluding restricted and designated funds.

The determination of an appropriate reserves level is a key part of the strategic planning process. This is linked into a risk assessment of key areas of income and expenditure, along with the following:

- Working capital
- Financial risk management
- Future strategic development

The trustees review the reserves level on an annual basis, along with the risk assessment of key areas of income, as this provides the information on an adequate level of reserves to be maintained.

The trustees consider therefore that it would be prudent to set aside an amount equivalent to between three to five months of the forthcoming year's planned expenditure costs – for 2019-20 this would be between £255k and £510k. The free reserves at 31 March 2019 £264k are within the range of its reserves policy.

Going concern

The board is satisfied that it is appropriate for the financial statements to be prepared on a going concern basis, and that there are no material uncertainties that may cast doubt on this assumption for at least 12 months from the approval of these accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Status	The organisation is a charitable company limited by guarantee, incorporated on 20 February 1998 and not having a share capital. The company was registered as a charity on 7 June 2006.
Governing document	ACEVO is governed by its Articles of Association, as adopted on 25 June 2019.
Company number	03514635
Charity number	1114591
Registered office and operational address	150 Fenchurch Street, London EC3M 6BB
Trustees	Rosie Ferguson, chair from 6 December 2018 Joe Irvin, vice chair to 21 June; chair from 22 June to 6 December 2018 Paul Farmer, chair to 22 June Kate Welch, vice chair from 5 July 2018 Jill Halford, treasurer Kulbinder Kang Jehangir Malik Ruth Marks Othman Moqbel Menai Owen-Jones David Smith Sue Tibballs Clare White (to 22 October 2018)
Chief executive	Vicky Browning (an ex officio trustee)
Banker	National Westminster Bank plc 332 High Holborn, London WC1V 7PS
Solicitor	Hempsons 100 Wood St, London EC2V 7AN
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London EC1Y 0TL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

ACEVO is a company limited by guarantee governed by its Articles of Association dated 25 June 2019. It is registered as a charity with the Charity Commission. Full membership of ACEVO is open to individuals holding the chief executive post (or equivalent) of civil society organisations. In the event of an insolvent winding up, each member's liability is limited to £1.

Appointment of trustees

As set out in the Articles of Association, the board of trustees comprises

- not more than 10 trustees elected from the membership in accordance with the Articles;
- not more than four trustees appointed by co-option in accordance with Articles, which may include the chair and the treasurer; and
- the chief executive of the Association as an ex-officio member of the board.

Board members may appoint a chair and a vice chair. Trustees may serve up to two terms of three years.

Trustees' induction and training

On appointment, new trustees are provided with information about the company including its constitution, strategy and plans, finances, staffing structure and its risk register. Their attention is drawn to relevant Charity Commission guidance. They are encouraged to meet with the chief executive and other staff for a full briefing on the organisation's work.

Organisation

The board is responsible for the governance of the charity. The trustees delegate the running of the organisation to the chief executive, within a framework of delegated authority. The board meets at least quarterly. The board has established a Finance and Audit Committee and a Remuneration Committee to which appropriate matters are delegated.

Trustees' attendance at board meetings

Trustee	Board meeting attendance				
	05/03/2018	05/07/2018	09/10/2018	06/12/2018	28/03/2019
Vicky Browning (CEO)	√	√	√	√	√
Paul Farmer (chair)	√	○	○	○	○
Rosie Ferguson (chair from 06/12/18)	○	○	○	√	√
Jill Halford (treasurer)	√	√	X	√	√
Jehangir Malik	X	√	√	X	√
Joe Irvin	√	√	√	X	○
David Smith	√	√	X	√	√
Kate Welch	√	√	√	√	√
Kulbinder Kang	√	√	√	√	X
Menai Owen-Jones	√	√	√	√	√
Othman Moqbel	X	X	√	√	√
Ruth Marks	√	√	√	X	√
Sue Tibballs	√	√	√	X	X
Clare White	X	√	X	○	○

Key ○ not in post X did not attend √ attended

The board has delegated detailed aspects of its work to a Finance and Audit Committee. The board members who served on the committee were Jill Halford (chair), Joe Irvin (to 6 December), Rosie Ferguson (from 28 March), Kulbinder Kang, Menai Owen-Jones, Ruth Marks (to 28 March) and Robin Osterley who served as a co-opted member of the committee.

The Finance and Audit Committee has key responsibilities for

- ongoing monitoring and review of financial performance
- ensuring there is a framework for accountability
- reviewing the systems of internal control
- identifying, managing and reporting of financial and operational risk
- ensuring ACEVO is compliant with relevant legal and regulatory requirements, following good practice
- considering the relationship with and monitoring the performance of ACEVO's external auditors.

The board has also delegated some decisions to its Remuneration Committee, which comprises Joe Irvin (to 6 December), Rosie Ferguson (from 6 December), Kate Welch (from 5 July 2018) and Jill Halford. The Remuneration Committee has delegated authority for

- determining the remuneration and conditions for the CEO of ACEVO, and in the event of a vacancy, overseeing arrangements for the appointment of a CEO, making recommendations to the board
- agreeing a remuneration policy for the organisation that supports the objects, vision, mission and strategic priorities of the charity
- reviewing and agreeing all HR policies and the staff gifts and hospitality register.

The trustees would like to register our thanks for the commitment, input and service of Joe Irvin who stepped down on 6 December 2018 after a six year term.

Key management personnel

The key management personnel (ACEVO's senior management team) at the end of the year were: Jenny Berry, director of leadership and governance; Vicky Browning, chief executive; Pete Johnson, head of business development; Catherine Macrae, head of finance and operations; Anne Wallis, head of membership and marketing and Kristiana Wrixon, head of policy.

Related parties

None of the trustees receives remuneration or other benefit from their work with the charity, other than Vicky Browning, the CEO. Trustees are invited to declare any relevant interests at each board meeting, and formally requested to submit an annual register of interests form. Other than their interests as chief executives of member charities, board members reported no relevant interests or transactions, except Othman Moqbel's directorship of the independent Charity Futures and Paul Farmer's role as a trustee of Lloyds Bank Foundation.

The charity's wholly owned subsidiary, ACEVO Solutions Ltd was established to operate ACEVO's related trading and non-charitable business streams – principally corporate partnerships and sponsorship and affinity schemes. ACEVO Solutions Ltd gift aids all of its distributable profit to ACEVO.

Remuneration policy

The board is responsible for considering the chief executive's remuneration, taking account of the skills and experience required and sector norms for charities of similar size. Staff pay is reviewed biennially by the Remuneration Committee in relation to their responsibilities and performance, the external economic environment and financial affordability for ACEVO. ACEVO is a Living Wage Employer.

Vicky Browning's salary was £85,000 plus pension benefits of 6%. Vicky Browning is an ex officio trustee. ACEVO's Articles require the chief executive to be a trustee, and allow the chief executive to be remunerated.

Risk management

The board follows a comprehensive risk management policy which clearly defines the roles of the board, finance and audit committee and senior staff in identifying and managing risk, and how the register of risks should be used as a live document. The board identifies the key risks and discusses the impact, likelihood and the risk management in place to mitigate these risks. The key risks currently identified by the board, and their mitigation, are shown in the table below.

Key risk	Mitigation
ACEVO membership arrangements cease to be attractive	Active emphasis on retention and recruitment of members.
Economic downturn/recession hits income as members and corporates cannot afford to join/renew	Continue sharp focus on costs; invest in resource for earned income generation
Loss of key staff	Staff satisfaction at a good level: maintain focus on staff wellbeing and development
Growing membership puts strain on staff resource delivering key member services	Review our member service offer and invest in the resources required to deliver it effectively

The trustees are satisfied that appropriate steps are being taken to manage these risks, and that sufficient procedures are in place to enable management and trustees to assess the effectiveness of risk management.

Fundraising

ACEVO does not engage in public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and ACEVO received no complaints relating to its fundraising practice.

Equality and diversity

ACEVO is proud to be an equal opportunities employer. This means that decisions concerning recruitment, promotion, dismissal or any other aspect of employment will be based on the needs of the business and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion or belief. This is an important commitment which all employees are expected to share. Employees are encouraged to raise with management any discriminatory behaviour, assumptions or attitudes they encounter at work and are entitled to do so free from any reprisal providing they are acting in good faith.

In line with the ACEVO/Institute of Fundraising [racial diversity leadership](#) principles, ACEVO has committed to setting permanent and minimum targets for diversity that reflect the participants, donors, beneficiaries and the population of the area the charity operates in.

We will publish an annual breakdown of the diversity of our board, staff, and membership alongside progress against the objectives we set ourselves. The board and staff targets are:

	ACEVO staff		ACEVO trustee board	
	Target within five years	Current status	Target within three years	Current status
Gender balance (women:men)	60:40	93:7	60:40	60:40
Proportion of BAME staff /trustees	40%	34%	40%	27%
Proportion of staff/trustees with a disability	20%	0	20%	0

We have a small staff team (15 people, 13 FTE as at 31 March 2019) all of whom we value deeply and are doing an excellent job supporting our membership. The majority of the team has been in post less than two years so it is unlikely there will be a lot of staff turnover in the short-term which is why we are making this a five year target.

As there will be opportunities to recruit new trustees towards the end of 2019 and 2020, we have set a three year target to reach these goals.

A full explanation of why we chose these targets and how we aim to achieve them is [available on our website](#).

Compliance with the Charity Governance Code

The aim of the Charity Governance Code is to help charities and their trustees develop high standards of governance. As a sector, we owe it to our beneficiaries, stakeholders and supporters to demonstrate exemplary leadership and governance. The Code is not a legal or regulatory requirement. Instead, the Code sets the seven principles and recommended practice for good governance and is deliberately aspirational, a tool for continuous improvement towards the highest standards.

One of ACEVO's strategic objectives is to establish the organisation as the voice and promote of good governance. As a result, we need to ensure we are working to ensure our own governance is conducted to a high standard.

We completed a self-assessment against the Charity Governance Code for Small Charities in February 2019, led by a task and finish group of trustees and staff. This involved producing a framework which we used to benchmark our performance against the seven principles, each of which has an accompanying set of recommendations (there are a total of 71 recommendations in the Code).

We're pleased to report that we fully met 74% of the total recommendations, partly met 22% of them, were not meeting 3% and 1% were not relevant to our operation.

The two areas where we judged we were not compliant (as opposed to work in progress) were:

- documentation of our process for appointing and reviewing our external auditors. This is being completed.
- the chair regularly asking for feedback on how meetings can be made more accessible and how to create an environment where trustees can constructively challenge each other and all voices are equally heard. This will form part of our review of board effectiveness.

The assessment generated a list of 33 required actions. The trustees agreed to review progress against these actions in October 2019, with another full self-assessment of our performance against the Charity Governance Code to be repeated in 2022.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of ACEVO for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable 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 judgements and estimates that are reasonable and prudent

- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

AUDITOR REAPPOINTMENT

Sayer Vincent LLP was reappointed as the charitable company's auditors during the year and has expressed its willingness to continue in that capacity.

APPROVAL

The trustees' annual report was approved by the trustees on 17 July 2019 and signed on their behalf by

Rosie Ferguson
Chair

Jill Halford
Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF CHIEF EXECUTIVES OF VOLUNTARY ORGANISATIONS

Opinion

We have audited the financial statements of Association of Chief Executives of Voluntary Organisations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011;

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (senior statutory auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Association of Chief Executives of Voluntary Organisations

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	30,000	16,207	46,207	130,035	-	130,035
Charitable activities							
Membership services	3	480,227	-	480,227	471,609	-	471,609
Training and development	3	182,630	-	182,630	70,794	-	70,794
Policy and representation	3	-	35,725	35,725	-	-	-
Supporting services and projects	3	-	81,000	81,000	-	49,000	49,000
Other trading activities	4	173,860	-	173,860	166,264	-	166,264
Investments		1,006	-	1,006	428	-	428
Total income		867,723	132,932	1,000,655	839,130	49,000	888,130
Expenditure on:							
Raising funds		67,777	2,153	69,930	44,511	2,806	47,317
Charitable activities							
Membership services		343,149	10,897	354,046	338,686	21,352	360,038
Training and development		252,488	8,018	260,506	198,949	12,543	211,492
Policy and representation		158,938	41,907	200,845	190,424	16,951	207,375
Total expenditure	5	822,352	62,975	885,327	772,570	53,652	826,222
Net income / (expenditure) before net gains / (losses) on investments		45,371	69,957	115,328	66,560	(4,652)	61,908
Net gains / (losses) on investments		-	-	-	-	-	-
Net income/(expenditure) for the year	6	45,371	69,957	115,328	66,560	(4,652)	61,908
Net movement in funds		45,371	69,957	115,328	66,560	(4,652)	61,908
Reconciliation of funds:							
Total funds brought forward		218,344	-	218,344	151,784	4,652	156,436
Total funds carried forward		263,715	69,957	333,672	218,344	-	218,344

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Association of Chief Executives of Voluntary Organisations

Balance Sheets

Company Number: 03514635

As at 31 March 2019

	Note	Group 2019 £	2018 £	Charity 2019 £	2018 £
Fixed assets:					
Tangible assets	11	-	-	-	-
Investment in subsidiary undertaking	12	-	-	1	1
		-	-	1	1
Current assets:					
Debtors	15	110,611	62,083	385,681	253,458
Short term deposits		240,648	240,465	240,648	240,465
Cash at bank and in hand		408,972	270,830	115,901	50,971
		760,231	573,378	742,230	544,894
Liabilities:					
Creditors: amounts falling due within one year	16	426,559	355,034	408,559	326,551
Net current assets		333,672	218,344	333,671	218,343
Total net assets		333,672	218,344	333,672	218,344
Funds:					
Restricted funds	19a	69,957	-	69,957	-
Unrestricted funds:					
General Funds (Free reserves)		263,715	218,344	263,715	218,344
Total unrestricted funds		263,715	218,344	263,715	218,344
Total funds		333,672	218,344	333,672	218,344

The parent charity result for the year included in the group accounts is a surplus of £115,328 (2018: a surplus of £61,908).

Approved by the trustees on 17 July 2019 and signed on their behalf by

Rosie Ferguson
Chair

Jill Halford
Treasurer

Association of Chief Executives of Voluntary Organisations

Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		115,328		61,908	
Dividends, interest and rent from investments		(1,006)		(428)	
(Increase) / Decrease in debtors		(48,528)		8,307	
Increase in creditors		71,525		48,002	
Net cash provided by operating activities		137,319		117,789	
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,006		428	
Net cash provided by investing activities		1,006		428	
Change in cash and cash equivalents in the year		138,325		118,217	
Cash and cash equivalents at the beginning of the year		511,295		393,078	
Cash and cash equivalents at the end of the year		649,620		511,295	

Analysis of group cash and cash equivalents

Group	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	270,830	138,142	-	408,972
Deposits (more than 3 months)	240,465	183	-	240,648
Total cash and cash equivalents	511,295	138,325	-	649,620

1 Accounting policies

a) Statutory Information

Association of Chief Executives of Voluntary Organisations is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 150 Fenchurch Street London EC3M 6BB.

b) 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary ACEVO Solutions Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The financial results of the parent company are disclosed in note 13.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the financial position of the company and its business plan and believe there are adequate resources to continue to fulfil its charitable objectives for the foreseeable future. The principle risk is its ability to generate sufficient income to cover the costs of meeting these objectives. In the current year and committed for next year there has been an increase in the size and volume of amounts from sponsors and there are no material uncertainties that would impact on the charity's ability to continue. Accordingly the going concern basis is adopted in preparing this annual report and accounts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on the proportions of direct staff cost in each activity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|------------------------------------|---|
| ● Computer – hardware and software | 3 years |
| ● Office Equipment | 4 years |
| ● Leasehold improvements | up to a maximum of the remaining term of the property lease |

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity 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.

r) Pensions

ACEVO operates a defined contribution pension policy in compliance with the stakeholder pension requirements. The employer contributions are charged to the statement of financial activities in the period in which they are incurred.

s) Critical judgements and estimates

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations that have had a significant effect on the amounts recognised in the financial statements.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	30,000	16,207	46,207	130,035	–	130,035
	<u>30,000</u>	<u>16,207</u>	<u>46,207</u>	<u>130,035</u>	<u>–</u>	<u>130,035</u>

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2019

3 Income from charitable activities

	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
	£	£	£	£	£	£
Membership Fees	480,227	-	480,227	471,609	-	471,609
Training and development	182,630	-	182,630	70,794	-	70,794
Policy and representation	-	35,725	35,725	-	-	-
Supporting services	-	81,000	81,000	-	49,000	49,000
Total	662,857	116,725	779,582	542,403	49,000	591,403

4 Income from other trading activities

	2019 Total	2018 Total
	£	£
Sponsorship Income	93,100	76,380
Commissions received from affinity schemes	35,307	43,938
Trading income from business activities	45,453	45,946
	173,860	166,264

All income from other trading activities is unrestricted.

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2019

5a Analysis of expenditure (current year)

	Staff	Other direct costs	Support	2019 Total	2018 Total
Charitable activities					
Membership services	141,816	40,020	172,210	354,046	360,038
Training and development	81,000	95,543	83,963	260,506	211,492
Policy and representation	73,688	30,566	96,591	200,845	207,374
	296,504	166,129	352,764	815,397	778,904
Other trading activities					
Cost of raising funds	33,635	2,646	33,649	69,930	47,318
	330,139	168,775	386,413	885,327	826,222
	Member Services	Training and development	Policy and representation	Cost of raising funds	Total
Support costs					
Management and admin	103,474	50,544	57,962	19,713	231,693
Office and premises	57,154	28,019	32,337	11,726	129,236
Governance	5,924	2,620	3,359	1,781	13,684
Other	5,658	2,780	2,933	429	11,800
	172,210	83,963	96,591	33,649	386,413

The basis of allocation of support costs is staff time spent on areas of strategic focus.

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2019

5b Analysis of expenditure (prior year)

	Staff	Other direct costs	Support	2018 Total	2017 Total
Charitable activities					
Membership services	139,766	29,097	191,175	360,038	245,030
Training and development	59,487	49,569	102,436	211,492	390,620
Policy and representation	80,955	-	126,419	207,374	239,228
	280,208	78,666	420,030	778,904	874,878
Other trading activities					
Cost of raising funds	30,167	470	16,681	47,318	386,819
	310,375	79,136	436,711	826,222	1,261,697
	Member Services	Training and development	Policy and representation	Cost of raising funds	Total
Support costs					
Management and admin	108,769	57,728	72,257	9,293	248,047
Office and premises	62,810	33,512	41,449	5,511	143,282
Governance	8,573	4,543	5,704	727	19,547
Other	11,023	6,653	7,009	1,150	25,835
	191,175	102,436	126,419	16,681	436,711

The basis of allocation of support costs is staff time spent on areas of strategic focus.

Notes to the financial statements

For the year ended 31 March 2019

6 Net income for the year

This is stated after charging /(crediting):

	2019 £	2018 £
Depreciation	–	–
Interest receivable	(1,006)	(428)
Operating lease rentals:		
Property	20,781	44,014
Equipment	3,603	6,368
Auditor's remuneration (excluding VAT):		
Audit	8,500	8,250
Other services	875	800
	<u> </u>	<u> </u>

7 Staff and trustee remuneration and expenses

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	441,926	419,228
Redundancy and termination costs	–	5,942
Social security costs	38,364	44,536
Pension contributions	48,571	38,842
	<u>528,861</u>	<u>508,548</u>
Total Staff Costs	<u>528,861</u>	<u>508,548</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension contributions) during the year between:

	2019 No.	2018 No.
£70,000 – £79,999	–	1
£80,000 – £89,999	1	–
	<u> </u>	<u> </u>

Vicky Browning was paid £86,692 (2018: £71,990) as Chief Executive with employer pension contributions of **£15,219 (2018: £8,206). Vicky Browning is a member of the ACEVO Board, ex officio. ** This amount includes an additional payment for prior year pension contributions.

The ratio of the highest paid member of staff to the lowest was 4:1x (2018: 3:1).

No remuneration was paid to the Trustees during the year (2018: nil). 6 trustees (2018: 5) were reimbursed expenses £3,050 (2018: £3,302) in respect of travel and subsistence. The charity maintains a liability insurance policy that protects both the charity and its Trustees from losses arising from neglect or default by the Trustees, employees or other agents of the group.

Members of the Board (other than Vicky Browning as Chief Executive) have had no beneficial interest in the charity, or the trading subsidiary, ACEVO Solutions Limited.

The total employee benefits including employer pension contributions and employer national insurance of the key management personnel were £347,225 (2018: £322,748).

Notes to the financial statements

For the year ended 31 March 2019

8 Staff numbers

The average number of employees during the year was as follows:

	2019 Headcount	2018 Headcount	2019 FTE	2018 FTE
Member Services	3.9	4.5	3.3	3.6
Training and development	2.1	1.8	1.4	1.2
Policy and representation	2.3	2.0	2.0	1.8
Supporting services	5.1	4.7	4.7	3.5
	13.4	13.0	11.4	10.1

9 Related party transactions

There were no donations from trustees in the year (2018: £nil) which were subject to any conditions or restrictions or significant in the context of our overall income. Paul Farmer is a trustee of Lloyds Bank Foundation which provided ACEVO with a grant of £20,000 in the year (2018: £30,000). See note 19a .

A management charge of £80,536 was made for the year (2018:£46,935)

A distribution of profits for the year of £93,324 (2018: £119,329) was received from the charity's trading subsidiary

There were no other related party transactions

10 Taxation

ACEVO is a registered charity and therefore is not liable to corporation tax on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

	2019 £	2018 £
UK corporation tax	-	-

11 Tangible fixed assets

The charity and group

	Computers £	Office Equipment £	Total £
Cost			
At the start of the year	57,996	16,001	73,997
Disposals in year	(57,996)	(16,001)	(73,997)
At the end of the year	-	-	-
Depreciation			
At the start of the year	57,996	16,001	73,997
Charge for the year	-	-	-
Eliminated on disposal	(57,996)	(16,001)	(73,997)
At the end of the year	-	-	-
Net book value			
At the end of the year	-	-	-
At the start of the year	-	-	-

All tangible fixed assets are used for the objects of the organisations. All fixed assets are held by the charity.

Notes to the financial statements

For the year ended 31 March 2019

12 Investments – Charity

Investment in subsidiary undertaking at cost

At 1 April 2018 and at 31 March 2019

Total
£
1

ACEVO Solutions Limited is registered in England and Wales (Company Registration No. 07194347) and has a share capital of one share of £1, representing 100% of the voting rights. The share capital is wholly owned by the charity and the company is consolidated into the group financial statements as a subsidiary.

ACEVO Solutions has a Board of Directors. At the Balance Sheet date the Board had two members who were also ACEVO trustees. See note 13.

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of ACEVO Solutions Limited, a company registered in England (company number 07194347). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed to the charitable company. The trustee Kate Welch as well as the CEO, Vicky Browning, are directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	173,860	166,264
Cost of sales	(42,146)	(38,629)
Gross profit	<u>131,714</u>	<u>127,635</u>
Administrative expenses	(38,390)	(8,306)
Profit before tax and distribution	<u>93,324</u>	<u>119,329</u>
Distribution to parent charity	(93,324)	(119,329)
Retained in subsidiary	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	339,586	254,027
Liabilities	(339,585)	(254,026)
Funds	<u>1</u>	<u>1</u>

A management charge of £80,536 was made for the year (2018:£46,935)

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	997,390	887,615
Result for the year	<u>115,328</u>	<u>61,908</u>

Notes to the financial statements

For the year ended 31 March 2019

15 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	92,076	34,168	45,561	-
Prepayments	18,535	24,659	18,535	24,659
Accrued income	-	3,255	-	3,255
Other debtors	-	-	-	-
Amounts due from subsidiary undertaking	-	-	321,585	225,544
	110,611	62,083	385,681	253,458

16 Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Membership fees received in advance	220,912	182,232	220,912	182,232
Other member income received in advance	16,847	7,050	16,847	7,050
Trade creditors	9,705	13,836	9,705	13,836
Accruals	60,800	61,817	60,800	61,817
Taxation and social security	47,274	28,482	47,274	-
Other creditors	7,421	6,866	7,421	6,866
Deferred sponsor income	63,600	54,750	45,600	54,750
	426,559	355,033	408,559	326,551

Membership fees received in advance comprises £200,399 for 2019/18, £14,089 for 2020/21 and £6,424 for 2020/21.

17 Movements in income received in advance and deferred income

All year end balances relate to income where the work has not yet been completed or contracts are still active and therefore the income cannot be recognised.

Notes to the financial statements

For the year ended 31 March 2019

18a Analysis of group net assets between funds (current year)

	Restricted funds £	General unrestricted £	Designated funds £	Total funds £
Tangible fixed assets	-	-	-	-
Current assets	69,957	690,274	-	760,231
Current liabilities	-	(426,559)	-	(426,559)
Net assets at the end of the year	69,957	263,715	-	333,672

18b Analysis of group net assets between funds (prior year)

	Restricted funds £	General unrestricted £	Designated funds £	Total funds £
Tangible fixed assets	-	-	-	-
Current assets	-	573,378	-	573,378
Current liabilities	-	(355,034)	-	(355,034)
Net assets at the end of the year	-	218,344	-	218,344

19a Movements in funds (current year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Barrow Cadbury Trust	-	21,000	(1,000)	-	20,000
Lloyds Bank Foundation	-	20,000	-	-	20,000
Jane Slowey memorial membership program	-	16,207	(2,000)	-	14,207
National Lottery Awards for all	-	10,000	-	-	10,000
Paul Hamlyn foundation	-	20,000	(14,250)	-	5,750
DCMS	-	35,725	(35,725)	-	-
Calouste Gulbenkian	-	10,000	(10,000)	-	-
	-	-	-	-	-
Total restricted funds	-	132,932	(62,975)	-	69,957
Unrestricted funds:					
General funds (free reserves)	218,344	867,723	(822,352)	-	263,715
Total unrestricted funds	218,344	867,723	(822,352)	-	263,715
Total funds	218,344	1,000,655	(885,327)	-	333,672

Purposes of restricted funds

Barrow Cadbury: a grant to be spent on research, branding, marketing and development of new services as well as the general costs of the organisation.

Lloyds Bank Foundation: a grant to be spent on research, branding, marketing and development of new services as well as the general costs of the organisation.

Jane Slowey Memorial Fund: donated funding for ACEVO's Jane Slowey memorial membership programme to provide support, guidance, advice and mentoring for women who have recently become CEOs or are aspiring CEOs of a charity or social enterprise, particularly those who are under 45, from BAME backgrounds and/or who have a disability.

Notes to the financial statements

For the year ended 31 March 2019

The National Lottery Community Fund : a match-funding grant to support the Jane Slowey memorial programme

Paul Hamlyn: a grant to support the stabilisation and growth of ACEVO

DCMS: A grant to fund the project and report "Leading safe cultures: eliminating workplace bullying in charity leadership

Calouste Gulbenkian: a grant to ensure leaders in the voluntary sector receive the support they need now and in the future

19b Movements in funds (prior year)

	At 31 March 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Barrow Cadbury Trust	-	19,000	(19,000)	-	-
Lloyds Bank Foundation	-	30,000	(30,000)	-	-
Charity Futures	4,652	-	(4,652)	-	-
Total restricted funds	4,652	49,000	(53,652)	-	-
Unrestricted funds:					
General funds	151,784	839,130	(772,570)	-	218,344
Total unrestricted funds	151,784	839,130	(772,570)	-	218,344
Total funds	156,436	888,130	(826,222)	-	218,344

Purposes of restricted funds

Barrow Cadbury: a grant to be spent on research, branding, marketing and development of new services as well as the general costs of the organisation.

Lloyds Bank Foundation: a grant to be spent on research, branding, marketing and development of new services as well as the general costs of the organisation.

Charity Futures is a programme to enhance third sector leadership and governance, to enhance philanthropic understanding, and to explore the potential for a centre, institute or other entity or mechanism promoting excellence in the sector. The programme focuses on the challenge of building long-term capacity in the sector. The programme was transferred to an independent company in June 2017.

20 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2019 £	2018 £	Equipment 2019 £	2018 £
Less than one year	22,000	25,180	3,307	3,208
Two to five years	22,000	47,180	-	-
	44,000	72,360	3,307	3,208

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.