

acevo

Charity Leaders Network

Association of Chief Executives of Voluntary Organisations

Trustees' Report and Consolidated Financial Statements for the year ended 31 March 2017

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**Association of Chief Executives of Voluntary Organisations
Trustees' Report and Financial Statements for the year to 31 March 2017**

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INTRODUCTION

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 2017, 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 25 to 27 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

CHAIR'S REPORT

In his evidence to the House of Lords Select Committee on Charities, professor John Mohan from the Third Sector Research Centre described charity leadership as being not unlike 'juggling on a unicycle'. This analogy certainly chimes with the experiences of many of our members who have to balance a huge range of tasks and skills, while often simultaneously facing unrealistically high expectations.

At ACEVO, we were encouraged by the Select Committee's recommendations around the importance of effective executive leadership, not least because our *Social Landscape 2017* report, published in partnership with the Charities Aid Foundation in February, showed that the big challenges facing charities are not getting any easier. Civil society leaders are experiencing a perfect storm of rising demand and decreasing funds in a time of an unpredictable political climate, challenging economic conditions and volatile public trust. Juggling on a bicycle in a tempest, perhaps.

At the same time, charities are less confident than they were a year ago about their ability to cope. Only one in seven chief executives (14%) said they were completely confident they would be able to meet growing demand, while over a quarter (26%) had little or no confidence their organisation would be able to do so.

Strong leadership is more vital than ever in difficult times, which means that ACEVO's role in supporting and developing leaders with the energy, vision, skills and resilience to meet these challenges has never been more needed. Throughout the year we have delivered membership services, leadership development, a strong policy and public affairs programme and consultancy support for our network.

We have continued to make the case for the value of civil society to our nation. Our successful *Charity Today* report published in February examined the contribution made to our society by charities and was widely covered across the BBC and beyond. We remain committed to raising the profile of our sector and its inspiring leaders.

Within ACEVO itself, we have been working to embed the changes following from a period of significant transition in 2015/16. During 2016/17 we have continued to develop our new business model to stabilise the organisation and reinvigorate our network.

During the final quarter, we were delighted to welcome our dynamic new chief executive, Vicky Browning, who brings extensive experience of developing successful and valued membership organisations. Vicky is reviewing ACEVO's membership offer, revisiting our vision, mission and values and widely consulting with our members to realise the power of our network in building a better world.

As we move into our 30th year, ACEVO's board, executive team and staff are excited about the opportunities ahead. Together, we are determined to ensure ACEVO remains a vital and vibrant network supporting, developing, connecting and championing civil society leaders in their determination to make a difference.

Paul Farmer, chair

HIGHLIGHTS AND MAJOR ACHIEVEMENTS 2016-17

1. Supporting, developing and representing a network of 1,165 members
2. Hosting 27 CEO forums, focused on key contemporary topics, and providing an essential network resource
3. Delivering ACEVO's major conference *Passionate Professionalism*, with over 250 attendees
4. Helping 48 members through our dedicated CEO in Crisis service
5. Developing leadership for members – masterclasses, programmes, seminars and personal development plans
6. Awarding ACEVO Fellowships to five successful charity leaders
7. Matching over 40 members with mentors
8. Guiding the delivery of *Charity Today*, featured on BBC local radio with estimated audience reach of 3.5m
9. Leading a consortium of charity bodies to secure a pause in proposed Anti-Advocacy legislation
10. Releasing our updated pay survey, in collaboration with the Charities Aid Foundation
11. Providing bespoke consultancy support for 11 different organisations
12. Incubating the Charity Futures Project, seeking the broadest view of the long term challenges facing the sector

PURPOSES AND ACTIVITIES

The objects of ACEVO as set out in the articles of association are to promote the third sector for the benefit of the public by:

- Liaising with charities, voluntary organisations, government agencies, private sector bodies and other groups on relevant issues;
- Providing advice, training, conferences and seminars on subjects relevant to the efficiency of the third sector;
- Identifying needs in the third sector both proactively and reactively and establishing projects or policies to address them;
- Providing information to the press and the public on the operation of, or problems encountered by, the third sector;
- Providing advice and information on fundraising techniques appropriate for third sector organisations and charities; and
- Acting as a representative of the third sector in relation to government policies and legislation.

ACEVO is the UK's largest and most influential network for charity and social enterprise leaders.

Our vision is of a nation of inspiring charity and social enterprise leaders who are empowered to make the biggest difference they can to their beneficiaries, to their organisations, and to society.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. The Trustees are also mindful of broader societal impact ACEVO has through the contribution it makes to the progress and development in the third sector.

ACEVO MEMBERSHIP

ACEVO is the UK's largest and most influential network for charity and social enterprise leaders. Our vision is of a nation of inspiring charity and social enterprise leaders who are empowered to make the biggest difference they can to their beneficiaries, to their organisations, and to society.

Our network means we can work directly with charity and social enterprise chief executives and leaders to play our part to achieve that, as well as offer them opportunities to learn from and support each other. Our members collectively have a turnover of more than £10bn, lead thousands of charity staff and help millions of beneficiaries. The depth, seniority, diversity, expertise, engagement and strength at the local level of our network allow us to offer members support that no other network can.

Our services seek to:

- Support our members at every step of their personal leadership journey by offering best-in-class training and the support of their peers;
- Provide individual and group solutions to help our members realise their development ambitions for their own organisations;
- Create networks of leaders on issues of importance that drive an inspiring collective campaigning voice; and
- Nurture the leaders of the future.

ACEVO membership is for individuals and fees are based on the turnover of the relevant organisation. We have four categories of individual membership

- Full members are defined as the most senior staff member in the organisation, often with the title chief executive or CEO.
- Senior Leader membership supports senior charity leaders from those finding their feet whilst learning to lead to experienced directors with aspirations of becoming the next CEO.
- Associate membership is open to anyone with an interest in sector leadership (except for-profit organisations) including chairs and trustees.
- Affiliate membership is open to leaders of organisations with an annual turnover of £150,000 or less.

We also have a membership category for commercial members (corporate partners), open to for-profit organisations who are interested in connecting with charity and social enterprise leaders through ACEVO.

Our members are central to everything we do. All of our work is tested with our members. Our levers include formal surveys, special interest groups, weekly news updates, and feedback from our conferences and events. We are constantly looking for new ways to align our work with the direction and needs of our membership.

The support we provide for our members falls into four categories

- **Membership services:** Our membership services focus on the highly valued opportunities for inter-leader networking and informal updating/development. We achieve this through regular CEO Forums and other events including the annual conference. We also provide support for members through our "CEO in Crisis" service, a range of specialist helplines, and a suite of publications and downloadable resources.
- **Leadership development:** ACEVO's leadership development strand focuses on providing practical skills and developing resilience, with resources and guides for members to get through the challenges they face and effectively lead their organisations to success. Members access a range of leadership development opportunities, with programmes either provided by ACEVO or by third parties at negotiated discounts for members.
- **Policy and public affairs:** ACEVO's members are uniquely represented by a sector-leading national media voice. We use our unique voice to help our members' causes penetrate more national print and broadcast media. We ensure that in the big debates, ACEVO members' individual and collective voices are heard, and that the positive case for charities' work, and for effective, professional charity leadership is successfully made.
- **ACEVO Solutions:** through our subsidiary company we have provided consultancy support for a range of organisations with our in-house expertise including capacity building, commissioning and procurement, bidding, market development, business analysis, governance and consortium development.

ACHIEVEMENTS AND PERFORMANCE

MEMBERSHIP SERVICES

At the end of March 2017 we had 1,165 members (2016: 1,398). While the year end figure showed a downturn on the previous year, by year end we were seeing an increase in new members joining which we aim to build on in the year ahead. We have embarked on a large scale recruitment strategy, contacting over 300 charity CEOs to whom ACEVO could be of benefit. We are also inviting non-members to taster events, reaching out to newly appointed CEOs, contacting sector "movers and shakers", advertising in the press and re-engaging with lapsed members.

One of the things our members value most is being able to network with peers regionally and nationally. Last year our range of events, forums and meetings provided plenty of opportunity to do just that.

Member events

- Our CEO Forums are a core part of our commitment to engage with members regularly across the country. These forums remain our most popular networking events. Last year we held 27 CEO forums across the country in five major regions - London and South East, North West, North East, South West and Yorkshire and Humber. Topics included managing trustees post Kids Company, building trust in your organisation and resilience.
- Other networking events include our senior leaders' breakfast forum bringing together senior leaders from across the third sector to network, and our new members' networking lunch which provides our members with the chance to meet other new members, build vital relationships and to learn more about ACEVO's member benefits.
- We held our flagship conference *Passionate Professionalism – Leading with Heart and Head* in November 2016. Over 250 attendees enjoyed the opportunity to network and be stimulated by a rich array of speakers and workshops.

Feedback: "It has never been more important to find ways for leaders in our sector to connect, share good practice, support and indeed challenge each other. ACEVO helps provide this valuable function. I have found the regional forums, and national links to the wider sector most useful."

Special Interest groups (SIGs)

Our SIGs provide a valuable chance for our members to connect and discuss sector specific issues with key stakeholders. Last year we held dedicated events on

- Women in leadership, exploring the experience of women leaders across the third sector
- Health and social care, debating the key challenges and opportunities facing health in the third sector today such as healthcare devolution and integrated care
- Children and young people, providing a key platform for our members working in this field to address the issues affecting them today.

CEO in Crisis

Our CEO in Crisis service is for ACEVO full members only and provides personal support and advice for CEOs when they consider their job is at risk/under threat, often due to the breakdown in relationship with their chair and board, but also when issues raised by their senior management team. This completely confidential service includes an initial assessment leading to an agreed plan of action and on-going support until the issues are resolved. Where required there is also legal guidance (up to four hours) and emotional support. This year support was provided for 48 members, plus continuing support for nine members from the previous year.

Feedback: "Thank you once again for your support. I sincerely hope I won't have to call on ACEVO support again but it is very reassuring to know it is there!"
"I really do believe that my ACEVO membership was the best thing I ever did, not just for this horrible nightmare but for all the opportunities to network with other CEOs and the training days I attended."

Governance helpline

The Governance Helpline, also for ACEVO full members only, provides advice, guidance and support regarding charity governance. Advice is often about improving communications, managing problems and defining responsibilities and is a mix of process and relationships. As well as providing this support, one of the aims of the service is to encourage members to talk to ACEVO early on, ahead of a potential 'crisis' developing. In 2016-17, 16 members accessed this service, with four continuing from the previous year.

Feedback: "Thank you. You are the first person I have spoken to about my chair who has really understood the subtlety of the situation and I appreciated your reassurance about the need for a nuanced response."

Member communications

This year, we streamlined our approach to member communications. Our weekly member e-newsletter, *Leader to leader*, has been significantly tightened, focusing on the things our members need to know. Policy updates are now included in this when relevant, rather than having their own emails. This change in approach has seen a notable increase in the percentage of members opening our emails.

LEADERSHIP DEVELOPMENT

This year ACEVO undertook a review of leadership development for our members and future charity/social enterprise leaders. The review included surveys of ACEVO members, followed by more in-depth discussions with samples from the different membership categories, conversations with past and possible future deliverers and providers, plus attendance to sample others' offers. We also partnered with Clore Social Leadership on its leadership survey.

The survey results showed that charity leaders are having to adapt to a more fluid, complex environment. But charity leaders also have qualities that can put them ahead in adapting to new demands. Financial constraints are impacting what leaders are able to spend on their development. ACEVO members value most the activities that are centred in, and which build on, the strength of our network. Individual and team coaching, mentoring, peer learning, cross-sector learning and online learning are all highly valued. Major preoccupations at present include income uncertainty; partnership working within and across sectors; relations with boards; managing performance; and maintaining resilience.

In response to this ACEVO has launched a new Coaching with Excellence programme, refreshed the ACEVO peer mentoring scheme and arranged new and discounted Cross Sector Leaders seminars. The wider future offer is now in planning.

During the year, our leadership development opportunities included.

- Leadership seminars and masterclasses including: *The Language of Influence*; *Building High Performance teams*; *Having Courageous Conversations* and *Leading in Uncertain Times*. These are all designed for charity or social enterprise CEOs and senior leaders. We held 12 one day seminars which 115 members attended.

Feedback: "Very useful for any senior management/CEO provides tools to use in the future. Thank you."
"Great content and very relevant, great course leader. Come with an open mind!"

- Our Emerging Leaders programme helping senior managers explore how to be their best in their current role and also to progress their career to become a CEO.

Feedback: "Great break from routine of daily work life: CEO talk, meta programmes, great facilitation and warm and engaging behaviour, chatting with peers. It will greatly help you to understand yourself and others better."
"All of the programme was enjoyable and useful Worth doing! Learnt loads."

- Governance seminars and masterclasses including Dynamic Duo; Charity Governance in Crisis, Board

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Effectiveness and how to develop it, finding and recruiting great board members. We held seven one day seminars which 172 members attended.

Feedback: "Encouraged to think differently. The range of tools and techniques, excellent informative study day with lots of practical tools. Thank you: a really enjoyable course and I've now booked onto another course too."

- Leadership development planning: a range of online tools are available for ACEVO members to support them with their personal and professional development, including a template questionnaire and plan, leadership reflection plan, career development plan and their stakeholder management tool. Members can also access personal support to develop their plan, discuss options and plan for their future career path. Between April 2016 and March 2017, ACEVO's Leadership Development Planning Tools web page was accessed 268 times by at least 209 people.

We acknowledge the support of ACEVO's key delivery partners, including the Association of Chief Executives, Association of Chairs, The Clare Foundation and The Institute for Government.

Fellowships

With thanks to The Leadership Trust and The Leadership Trust Foundation for their sponsorship, Fellowships were awarded to five charity leaders at ACEVO's AGM, nominated by an ACEVO member. Each Fellow received a free place on the Leadership Trust 'Leading with Impact' development programme, worth over £3,000; a personalised development plan; an ACEVO mentor; a free place on an ACEVO Masterclass; a pack of ACEVO publications and, if not already a member, a year's free membership.

Peer mentoring

Our peer to peer mentoring service is a personal matching service which continues to be one of our most sought after member benefits. Members can gain access to a network of inspiring CEO mentors to support them to develop in their roles as chief executives or aspiring chief executives. Last year we successfully matched over 40 members.

REPRESENTATION AND VOICE

2017 was a busy year for the policy and press team at ACEVO. With change across the political landscape we have been robust in standing up for the interests of our members. On topics from campaigning to diversity, ACEVO has positioned itself at the forefront of the sector. Highlights included:

Charity Today

In February, we partnered with CharityComms, the Charities Aid Foundation and the Institute of Fundraising to produce *Charity Today 2017*. This snapshot examined the contribution made to our society by charities, as well as the myriad of causes on which they work.

Charity Today 2017 was featured across BBC local radio on the day of its launch. Our new CEO, Vicky Browning, and chair, Paul Farmer, both appeared on a number of stations to discuss the contribution which charities make to our society.

Feedback: "Thanks for making it work so well. Great guests and interesting discussions. Lots of social media. Definitely worth it." (BBC Editor)
"We're really enjoying seeing all the fantastic @BBC coverage on #charities and their impact today." (Lloyds Bank Foundation)
"#CharityToday gave us hope in a time when everything seems to be bad news." (unsolicited member of the public)

We estimate that this report generated 141 separate appearances across 24 radio stations, with a reach of 3.5 million people.

Brexit

One of the defining events of 2016 was the decision taken in June to leave the European Union. The implications for the charity sector of this decision are far reaching and, as of yet still uncertain. ACEVO was quick to react, consulting members to ascertain what the impact of Brexit may be on them. This resulted in significant media attention, and helped us secure engagement with government on the issue. The Department for Culture, Media and Sport has since held a number of roundtables (under Chatham House rules) regarding the impact of Brexit on charities, which we have remained involved in.

Anti-advocacy

In early 2016, we were vocal in our opposition to the so-called 'anti-advocacy' clause which the government was proposing to put into grant contracts. Working with other bodies (including NCVO and others) in a valuable sector collaboration we secured a pause in the implementation of this harmful clause.

Following a change of government in the autumn, we continued to monitor the situation in case the clause showed any sign of reappearing. Following the work which we had taken part in earlier in the year, we were pleased that the new administration walked back the anti-advocacy clauses. The new grant agreements released in December represented a significant concession to the concerns of the sector. We will continue to monitor their implementation to ensure that the voice of the charity sector is being protected.

Pay and equalities

In January, we released the latest in our series of pay surveys in partnership with the Charities Aid Foundation. In addition to the usual benchmarking of chief executive salaries, this edition featured a renewed focus on equality and diversity within the sector.

The findings were mixed, revealing some progress on equality of gender representation at the highest level. There remained, however, a notable gender pay gap, and a significant under representation of BAME individuals at chief executive level. We will be building on this by further examining the issue of diversity in the year ahead.

State of the Sector

We also partnered with CAF in gathering data for the *Social Landscape 2017* report, published in March. This report found concerning levels of uncertainty in the sector, with only one in seven CEOs having complete confidence their organisations can meet demand in the coming year.

Party Conferences 2016

ACEVO held a wide ranging and hard hitting series of events at Party Conferences in 2016 which were focused on the theme *We Believe in Charity. Do You?* These events looked to both challenge and celebrate the work of the sector. We held four events across the Labour and Conservative conferences, including a debate on charities and elitism which saw queues out of the door. Other events included a debate on trust in charities, and two 'Civil Society Rallies' which showcased some of the good work being done by charities and social enterprise.

Trustees and Fundraising Handbook

Fundraising remains the subject of scrutiny from our regulators, Westminster and others. We worked in partnership with the Institute of Fundraising, Charity Finance Group and NCVO to produce a *Trustees and Fundraising Handbook*. This provides a one-stop shop for experienced and new trustees alike to help charity boards pick their way through the complicated territory of fundraising.

Multi Academy Trusts

We launched a ground breaking partnership with the London Leadership Trust to help the chief executives of Multi-Academy Trusts (MATs) to learn from their charity sector counterparts. This has included welcoming 25 MAT leaders into ACEVO membership, and providing speakers for a variety of workshops on topics from finances to community engagement.

ACEVO in the news

Across the year, ACEVO has been robust in defending our members' interests. From anti-advocacy clauses to championing the value of the sector, we consistently appeared across broadcast and print.

In what was an extremely busy media year for charities in the media our appearances in print media reached a potential 50 million readers – an increase of nearly 20 million on last year. Each story we put out has reached further than ever before.

This increased reach is reflected on social media, where our following on Twitter broke through the 20,000 mark at the end of the year. This resulted in our tweets reaching nearly 25 million timelines.

Publications

Across 2016/17, nearly 300 of our paid-for publications were purchased. These covered a range of topics, from the newly released *Pay and Equalities Survey* to longstanding ACEVO guides like *The Chief Executive's First 100 Days*. These are available to members on our website www.acevo.org.uk.

ACEVO SOLUTIONS

ACEVO Solutions Ltd is a wholly owned subsidiary company of ACEVO, operating two main business activities – consultancy, and corporate sponsorship/affinity – both of which support ACEVO's main charitable activities.

Consultancy

During the year, ACEVO Solutions provided bespoke consultancy support to 11 different organisations, as well as advice and guidance to many others through its telephone/email support service and Business Booster newsletters. Projects were undertaken across a range of disciplines, including

- Consortium development
- Governance reviews
- Bid writing
- Contract readiness
- Investment readiness
- Organisational strengths review
- Commissioning and procurement support
- Market analysis and marketing strategy
- Business planning
- Financial and full cost recovery reviews

The year saw further alignment between advice and support services and the wider membership offer, ensuring ACEVO members gained an even greater benefit from the Solutions consultancy service. Three quarters of bespoke consultancy clients for 2016-17 were (or have since become) ACEVO members – up from one third last year.

In collaboration with strategic partner Hempsons (a leading charity and social enterprise, and healthcare law firm) ACEVO Solutions offered a new Business Booster Masterclass series. During the year, there were two roundtable seminars and six free one-to-one surgeries, jointly led by business development consultants and legal experts. These covered topics such as contract risk, balancing price and risk when bidding for contracts, and mergers and collaborations.

Feedback: "Some of the best learning ACEVO has offered."

The team also developed and released a new free *Understanding your Costs* tool - the second in the series of ACEVO's toolkit of financial planning tools. This has so far been accessed by over 50 of our members and was used successfully as part of our bespoke consultancy work with three different organisations.

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ACEVO Solutions also continued its capacity building work with the private, public and third sector to support the role of Voluntary and Community Sector Enterprise organisations in delivering public services. During the year, ACEVO Solutions worked with a large prime provider of welfare to work services to advise it on developing a better approach to partnerships and supply chains with the third sector – particularly for smaller, specialist organisations.

The impact of consultancy activity in 2016-17 may be demonstrated by

- Providing over 1,000 hours of bespoke consultancy support to 11 different organisations
- Working with organisations in seven different regions
- Supporting two organisations to secure over £90,000 in grant and development funding

Consultancy offered through ACEVO Solutions has been of high quality, and has delivered value for ACEVO members and other clients. However, in a challenging market, it has not always been possible to secure a real return on consultancy projects, and for this reason consultancy activity is to be scaled back in 2017-18.

Corporate partnerships

Our third sector members are joined by ACEVO's corporate partners who share our passion for a better society, and make a significant contribution to our work. Our corporate partners are well placed to provide a range of high quality goods and services required by charities and social enterprises; and many are pleased to offer preferential rates to our members.

We are particularly indebted to our Strategic Partners: Hempsons, NatWest, Ellis Whittam, Endsleigh, Second Sight, EnergyCentric, and CAF. Our Premium Partners and our Corporate Partners have also supported us both in kind and in financial terms, and we are grateful for their support.

Finances

ACEVO Solutions Ltd generated income of £211,459 during the year. The staff engaged in ACEVO Solutions' activity are employed by ACEVO and recharged to ACEVO Solutions through a management charge, together with attributable overheads. Direct costs amounted to £11,541, and the management charge from ACEVO was £193,733. A net profit of £6,184 was realised and this was paid to ACEVO via gift aid after the end of the year.

CHARITY FUTURES

The Charity Futures Project was launched in 2016. Since then project staff have been busy trying to get as rounded a view as possible regarding the long-term challenges facing the charitable sector, and diverse approaches for surmounting them. Staff have held one-to-one meetings and roundtable consultations with chief executives and chairs from charities large and small, with sector experts and think tank researchers, with funders and philanthropists, charity academics and journalists, training providers, and umbrella bodies.

In 2016 project staff travelled to Exeter, Edinburgh, Sheffield, Oxford and Norfolk to meet sector leaders. In early 2017 more roundtables were held in Belfast, Cardiff, Manchester, Newcastle and Bradford. These talks have provided plenty of qualitative data to sift through, as well as ideas and suggestions for possible future projects and research pieces.

In addition a survey of charity trustees was carried out in collaboration with nfpSynergy and *Third Sector* magazine.

Charity Futures staff also worked with academics in Oxford and Exeter to found a permanent centre to study philanthropy and charity. This will help foster a network of scholarly collaboration, based on serious evidence, across the country.

In the spring of 2016, it was decided that Charity Futures should be incorporated as a CIC. Recruitment of board directors for the new organisation began, and the application process with Companies House and the CIC Regulator was begun in February. Preparations were made for Charity Futures to begin operating independently of ACEVO.

In April (after the year end) an independent organisation, Third Sector Futures CIC, was established to take this work forward in 2017-18 and beyond. The organisation commenced independent operation on 1 June 2017.

FINANCIAL REVIEW

Details of the ACEVO Group income and expenditure for the year are set out on page 22. Income for the year was £1,123,341 (2016: £1,289,132); costs were £1,261,697 (2016: £1,479,933). The deficit in 2016-17 was £138,356 (2016: £190,801). The application of funds in support of ACEVO's charitable activities is disclosed in note 5. At 31 March 2017 total group fund balances decreased to £156,436 (2016: £294,792), of which £4,652 was in a restricted fund for the Charity Futures project (2016: nil) and, none (2016: £17,368) was represented by the designated tangible fixed asset fund.

The trading subsidiary, ACEVO Solutions Limited, made a surplus of £6,184 during the year (2016: £38,152) (see note 13). This will be paid to ACEVO under Gift Aid.

Reserves policy

In defining its reserves policy, ACEVO has considered the level of free reserves it is appropriate for the charity to hold in order to demonstrate appropriate financial management and financial sustainability. Free reserves represent unrestricted general 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 working capital, financial risk management, and 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 for an adequate level of reserves to be assessed and maintained. ACEVO's free reserves are defined as the unrestricted reserves less the value of the fixed assets – at the end of March 2017 ACEVO had no undepreciated fixed assets.

Based on a review of future strategic plans, along with a risk assessment of key areas of income and expenditure, the board's policy is that free reserves representing between three and six months' of the forthcoming year's planned expenditure should be maintained – for 2017-18 this would be between £175,000 and £350,000.

At 31 March 2017, the group's level of free reserves was £151,784, and the board plans to invest an additional sum of about £40,000 from its reserves during 2017-18, to finalise its transition to a financially sustainable model. The board is committed to rebuilding its reserves over future years so that they fall within the policy range.

Going concern

In addition to the reserves policy, the board has also performed a detailed review of its status as a going concern, based on forecast cash flows and budgets for at least 12 months, which provides the board with sufficient ability to make appropriate financial decisions. The board recognises the urgency of reaching a stable and sustainable business model and has taken substantial steps to achieve this, including

- major staff restructuring, with the loss of several posts
- refreshment of member benefits, and an increased emphasis on recruiting new members
- intensive contact with potentially lapsed members, with a view to re-engagement
- appointment of a new Head of Business Development
- re-energised work with sponsors and corporate partners (key sponsors already agreed for 2017-18)
- new business areas under investigation
- voluntary salary reductions for some senior staff
- provision of back office services, chargeable to the Charity Futures organisation on independence
- fundraising from donors (significant success already achieved in 2017-18, with a strong pipeline)

An outline budget and a cash flow have been prepared for 2018-19, and both Board and Management are fully engaged in securing a sustainable future for ACEVO. Regular meetings are held to review progress on income generation, and monthly estimates of future membership income are systematically prepared. The Board receives a full financial report every month, and the Finance and Audit Committee meets at least quarterly. The Treasurer is closely in touch with ACEVO's financial affairs.

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.

FUTURE PLANS

Our members are at the heart of everything we do. Over the past eight months we have consulted with members up and down the country to find out what they want and need from ACEVO. Next year we will be strengthening our offer based on our members' feedback in the following ways:

Clearly describing our member benefits

- We will describe our member offer more clearly on our website making it easier to navigate and find information. We will continue to develop and refine the content throughout the year.
- In response to member feedback, we have streamlined our communications – in April we launched our first fortnightly events newsletter, highlighting all our events in one single communication.

Supporting our members to network locally

- We know that attending our events is really valued, as a key member benefit. We are committed to delivering more regional events for peer networking locally. We have introduced new forums in Wales and the Midlands.
- We know it is not easy for some of our members to attend our forums so we will be piloting a series of peer to peer support groups in rural areas to facilitate and encourage peer learning.

Building peer to peer learning

- We are keen to provide our members with every opportunity to engage with each other in between meetings and events. We are scoping out a series of new ways to support and enhance peer networking in tandem with our busy events programme.
- We will be publishing a series of member blogs throughout the year to enhance our peer support programme and profile our members.

Member events

- We are setting up a series of member steering groups to ensure that our event agendas are shaped by and for our members.

CEO in Crisis

- We shall continue to respond to, support and advise CEOs, and we also plan to introduce a follow up and aftercare service.
- We also hope to include a new mediation service as part of the offer.

Governance support

- Identifying early warning signs, we shall seek to grow the Governance Helpline service, especially by encouraging contact in advance of a crisis developing.
- We are working with the Association of Chairs to jointly promote the need for positive chair/CEO relations, including a joint event in the autumn.

Leadership development

- We are reviewing our leadership development activities to ensure provision better attuned to members' needs.
- We will encourage new members to review their personal and professional development plans.
- We are continuing our highly respected Fellowships programme, developing our relationship with the new Leadership Trust Foundation, to fund five Fellows for 2017.

Policy

- We are developing a new policy and research strategy, after consulting with members, centered on new 'policy pillars (regulation, campaigning, commissioning, diversity and Brexit).
- We will strive to ensure our members' voices are heard on key political decisions including any proposals from the Charity Commission to introduce charging and monitoring the impact of the Fundraising Preference Service.
- We plan to work closely with other infrastructure bodies to ensure that the House of Lords Select Committee on Charities' recommendations are implemented.

Corporate Partnerships

- We have recruited new talent to drive our partnership work forward
- We are re-engaging with our corporate partners, and re-energising our relationships; this has progressed well in the early months of 2017-18
- Already, several major partnerships are either agreed or looking very promising.

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 17 January 2013.
Company number	03514635
Charity number	1114591
Registered office and operational address	Regent's Wharf, 8 All Saints Street, London N1 9RL
Honorary officers	Paul Farmer, chair Sharon Allen, vice chair (to 2 March 2017) Jon Sparkes, vice chair (from 2 March 2017) Jill Halford, treasurer
Chief executives	Sir Stephen Bubb (to 31 May 2016) Asheem Singh (1 June 2016 to 29 January 2017) Vicky Browning (from 29 January 2017)
Company secretaries	Jessica Spearman (to 27 May 2016) Asheem Singh (27 May 2016 to 13 October 2016) Lew Hodges (from 13 October 2016)
Banker	National Westminster Bank plc 332 High Holborn London WC1V 7PS
Solicitor	Bircham Dyson Bell LLP 50 Broadway London W1H BL
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 17 January 2013. It is registered as a charity with the Charity Commission. Full membership of ACEVO is open to individuals holding the chief executive post of voluntary 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 12 full members of ACEVO to be elected from among and by the full members at the AGM
- The current chief executive as an ex-officio member of the board
- Up to three individuals coopted by the board
- The treasurer appointed by the board

Board members may appoint a chair and a vice chair. Board members 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 offered the opportunity to meet with the chief executive, chief operating officer and other staff for a full briefing on the organisation's work.

Organisation

The board is responsible for the administration of the charity. In practice the board delegates 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

The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustee	Board Meeting Attendance					
	05-May-16	14-Jul-16	13-Oct-16	08-Dec-16	24-Jan-17	02-Mar-17
Paul Farmer (Chair)	✓	✓	✓	✓	✓	✓
Sharon Allen (Vice Chair to 2 March 2017)	✓	✓	✓	X	✓	✓
Jon Sparkes (Vice Chair from 2 March 2017)	✓	✓	✓	✓	✓	✓
Jill Halford (Treasurer)	✓	✓	✓	✓	✓	✓
Joe Irvin	✓	✓	✓	✓	✓	✓
Kulbinder Kang	✓	X	✓	✓	X	X
Rachel Kelly	✓	✓	✓	✓	✓	✓
Jehangir Malik OBE	X	✓	X	✓	✓	✓
Kate MacDonald	✓	✓	X	✓	✓	✓
Othman Moqbel (from 8 Dec 2017)	n/a	n/a	n/a	n/a	✓	X
Natasha Singarayer	X	✓	X	X	X	X
Sarah Talbot-Williams	✓	✓	✓	X*	X*	X*
Katherine (Kate) Welch	✓	✓	✓	✓	X	✓
Vicky Browning (CEO, Board 2 March 2017)	n/a	n/a	n/a	n/a	observer	✓
Sir Stephen Bubb (CEO to June 2016)	✓	n/a	n/a	n/a	n/a	n/a

*long term sickness absence during 2016-17

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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), Jehangir Malik (to November 2016), Joe Irvin, Kate MacDonald (from February 2017), Kulbinder Kang and Sarah Talbot-Williams; Alastair McCapra also served as a co-opted member of the Finance and Audit 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, along with 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 Paul Farmer (chair), Sharon Allen and Jill Halford. The Remuneration Committee has delegated authority for

- determining remuneration and terms and conditions for the chief executive
- establishing pay scales for the director's group within ACEVO, and agreeing pay policy for the organisation
- considering and recommending to the board any cost of living increases which may be applicable to all staff

Key management personnel

The key management personnel (ACEVO's senior management team) at the end of the year were as follows:

Vicky Browning, chief executive (from 30 January 2017)
Jenny Berry, director of leadership and governance
Lew Hodges, chief operating officer (from 18 July 2016)
Christina Heap, head of membership (from 1 July 2016)
Mark Winter, director of ACEVO Solutions
Kristiana Wrixon, head of research (from 30 August 2016)

In addition, Sir Stephen Bubb was the chief executive from 1 April 2016 until 31 May 2016, during which period he was part of the senior management team; he remained an ACEVO employee, engaged on the Charity Futures project, until 31 May 2017 (after the year end). Asheem Singh acted as interim chief executive between 1 June 2016 and 29 January 2017; he was a member of the senior management team until he left the organisation on 8 February 2017.

Related parties

None of the trustees receives remuneration or other benefit from their work with the charity. 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 have reported no relevant interests or transactions.

The charity's wholly owned subsidiary, ACEVO Solutions Ltd was established to operate ACEVO's related trading and non-charitable business streams – principally consultancy activity, and sponsorship and affinity schemes. ACEVO Solutions Ltd gift aids all of its net profit to ACEVO. It has been decided that the consultancy activity will be discontinued during 2017.

Remuneration policy

As above, none of the trustees receives any remuneration or benefit from ACEVO.

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. The pay of the senior staff is reviewed annually by the Remuneration Committee in relation to their responsibilities and performance, the external economic environment and financial affordability for ACEVO. In the most recent period, affordability has been the most powerful influence on ACEVO's remuneration policy, and senior salary levels are considered to be modest. ACEVO is a Living Wage Employer.

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Vicky Browning was appointed as Chief Executive on 30 January 2017 at a salary of £75,000; no pension benefits were payable within the year. 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.

Sir Stephen Bubb was Chief Executive until 31 May 2016 at a salary of £107,700 plus an employer's pension contribution of 10%. Sir Stephen Bubb was an ex officio trustee. On 1 June 2016 Sir Stephen Bubb took up a role as director of the Charity Futures programme at the same salary, funded by Woodford Investments as part of its support for Charity Futures.

Asheem Singh acted as Chief Executive from May 2016 to January 2017, at a salary of £70,000 per annum; no pension benefits were payable during the year. He did not act as a Trustee.

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 to the third sector.	This risk is mitigated by providing high quality services, adding to and refreshing our activities, and appropriate pricing.
Potential competition with other bodies in the sector	This risk is mitigated by offering distinctive, high quality services and through the preservation of good working relationships
Pressures deriving from substantial restructuring and realignment of strategy, finances, and people	This risk is mitigated by the intelligence and hard work of ACEVO staff and board members
Financial sustainability	This risk is mitigated by the introduction of a new business model which the board believes is financially sustainable and a good basis for future growth. Further information about ACEVO's status as a going concern is provided on page 12.
Meeting income targets	This risk is mitigated by realistic budgeting, greater focus on income generation, and new staff appointments. By June 2017, over 70% of the income budgeted for 2017-18 had been secured.

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

Equality and diversity policy

ACEVO has an equality and diversity policy which sets out the commitment of the organisation to ensuring within the framework of the law that our workplaces are free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010.

All employees are provided with a copy of this policy as part of their induction process, and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices.

We are engaged in active monitoring at board and staff level of equality and diversity within the organisation and lead on a number of initiatives on behalf of the sector to improve levels of inclusion, including publishing pay information through our annual pay survey, and hosting a well-supported special interest group for women CEOs.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Association of Chief Executives of Voluntary Organisations 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 United Kingdom Accounting Standards (United Kingdom 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 appointed 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 6 July 2017 and signed on their behalf by

Paul Farmer
Chair

Jill Halford
Treasurer

INDEPENDENT AUDITOR'S REPORT

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 2017 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 2017 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 United Kingdom 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 financial statements section of our report. We are independent of the group 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 financial statements is not appropriate; or
- The trustees have not disclosed in the 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 twelve 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 financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the 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 its 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

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.

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:

**Association of Chief Executives of Voluntary Organisations
Trustees' Report and Financial Statements for the year to 31 March 2017**

- 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 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.

Judith Miller (Senior statutory auditor)

Date 14 July 2017

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 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	42,202	-	42,202	155,000	-	155,000
Charitable activities							
Membership Fees		475,767		475,767	504,945	-	504,945
Supporting Services	3	111,193		111,193	144,483	-	144,483
Representation and Voice Projects	3	16,125		16,125	19,826	165,250	185,076
Charity Futures Project	3		264,753	264,753			-
Other trading activities	4	211,459		211,459	296,895	-	296,895
Investments		1,843		1,843	2,733	-	2,733
Total income		858,588	264,753	1,123,341	1,123,882	165,250	1,289,132
Expenditure on:							
Raising funds							
Fundraising	5	78,784		78,784	75,682		75,682
Other trading activities	5	205,273		205,273	238,493		238,493
Total raising funds		284,057	-	284,057	314,175	-	314,175
Charitable activities							
Membership: Member Services	5	205,165		205,165	317,507	-	317,507
Supporting Services	5	327,068		327,068	417,216	-	417,216
Representation and Voice	5	200,306		200,306	265,784	165,250	431,034
Charity Futures Project	5		245,101	245,101	-		-
Total expenditure		1,016,596	245,101	1,261,697	1,314,683	165,250	1,479,933
Net expenditure for the year	6	(158,008)	19,652	(138,356)	(190,801)	-	(190,801)
Transfers between funds		15,000	(15,000)	-	-	-	-
Net movement in funds		(143,008)	4,652	(138,356)	(190,801)	-	(190,801)
Reconciliation of funds:							
Total funds brought forward		294,792		294,792	485,593		485,593
Total funds carried forward		151,784	4,652	156,436	294,792	-	294,792

All of the above results are derived from continuing activities, except for consultancy activities with ACEVO Solutions Ltd. 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 2017

	Note	group 2017 £	2016 £	charity 2017 £	2016 £
Fixed assets:					
Tangible assets	11	-	17,368	-	17,368
Investment in subsidiary undertaking	12	-	-	1	1
		-	17,368	1	17,369
Current assets:					
Debtors	15	70,390	146,834	80,875	142,241
Short term deposits	21	250,000	250,000	250,000	250,000
Cash at bank and in hand	21	143,079	282,004	113,149	249,315
		463,468	678,838	444,025	641,556
Liabilities:					
Creditors: amounts falling due within one year	16	307,032	401,413	287,590	364,132
Net current assets		156,436	277,424	156,435	277,423
Total net assets		156,436	294,792	156,436	294,792
Funds:					
Restricted funds	19	4,652	-	4,652	-
Unrestricted funds:					
Designated – Fixed Assets Fund		-	17,368	-	17,368
General Funds		151,784	277,424	151,784	277,424
Total unrestricted funds		151,784	294,792	151,784	294,792
Total funds		156,436	294,792	156,436	294,792

Approved by the trustees on 6 July 2017 and signed on their behalf by

Paul Farmer
Chair

Jill Halford
Treasurer

Association of Chief Executives of Voluntary Organisations

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating	20	(140,768)		(153,737)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,843		2,733	
Net cash provided by / (used in) investing activities		<u>1,843</u>		<u>2,733</u>	
Change in cash and cash equivalents in the year		(138,925)		(151,004)	
Cash and cash equivalents at the beginning of the year		532,003		683,007	
Change in cash and cash equivalents due to exchange rate movements		-		-	
Cash and cash equivalents at the end of the year	21	<u>393,079</u>		<u>532,003</u>	

Notes to the financial statements

For the year ended 31 March 2017

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 8 All Saints Street, London, N1 9RL.

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 14.

c) Public benefit entity

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

d) Going concern

The Trustees acknowledge the challenges of ensuring that the charitable company is a sustainable entity, particularly in relation to maintaining and growing income from membership fees and other sources. As set out in the Trustees' Report, a number of steps have been taken to ensure that the organisation remains a going concern, including staff restructuring, refreshment of member benefits and recruitment, contact with lapsed members, appointing a new Head of Business Development, re-energising relationships with sponsors and corporate partners, developing new business streams, voluntary salary reductions for senior staff, providing back office services for another organisation, and fundraising from donors. Budgets and cash flows have been prepared, and the Trustees consider it appropriate to prepare the financial statements for the organisation as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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 incoming resources 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.

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

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.

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 |

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.

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.

q) 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.

Notes to the financial statements

For the year ended 31 March 2017

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 total Total £	2016 Total £
Voluntary income			-	25,000
Donated services and facilities	42,202		42,202	130,000
	<u>42,202</u>	<u>-</u>	<u>42,202</u>	<u>155,000</u>

The donated services and facilities relate to hosted events and marketing activities

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Supporting				
Conferences and Events	56,934	-	56,934	69,783
Professional Development	44,197	-	44,197	62,028
Publications and Marketing	10,062	-	10,062	12,672
Total	<u>111,193</u>	<u>-</u>	<u>111,193</u>	<u>144,484</u>
Representation and Voice				
Transforming Care	-			68,750
Charity Governance	-			50,000
Loneliness in London	-			29,500
Low Commission on Charity Regulation	-			17,000
Dynamic Duo	15,625		15,625	
Other projects	500	-	500	19,826
Total	<u>16,125</u>	<u>-</u>	<u>16,125</u>	<u>185,076</u>
Charity Futures				
Charity Futures- donated funds		169,700	169,700	-
Charity Futures – donated services (secondment)		95,053	95,053	-
Total		<u>264,753</u>	<u>264,753</u>	<u>-</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Sponsorship Income	51,570	-	51,570	107,382
Commissions received from affinity schemes	31,279	-	31,279	25,715
Trading income from business activities	128,610	-	128,610	124,048
Service charge income from Euclid Network		-	-	39,750
	<u>211,459</u>	<u>-</u>	<u>211,459</u>	<u>296,895</u>

Notes to the financial statements

For the year ended 31 March 2017

5 Analysis of expenditure

	Raising Funds	Member Services	Supporting Services	Representation and Voice	Charity Futures	Support Costs	Governance	Sub total	ACEVO Solutions	Total	2016 Total
	£	£		£	£	£		£			£
Staff costs	43,615	94,121	115,251	113,087	228,331	63,062	24,206	681,673	131,764	813,438	861,407
Other staff costs	3,530	7,618	9,328	9,153		5,104	1,959	36,691	12,156	48,847	12,687
Office expenses	10,886	23,492	28,765	28,604		15,740	6,042	113,529	37,487	151,016	204,543
Staff & Board expenses	1,130	2,438	2,986	2,930		1,634	627	11,745	3,891	15,636	34,358
Legal and accounting	1,196	2,580	3,160	3,100		1,729	664	12,428	4,117	16,546	17,058
Depreciation	1,253	2,704	3,311	3,249		1,812	696	13,026	4,316	17,341	34,468
Delivery costs	-	33,857	124,933	11,771	16,770			187,332	11,541	198,873	315,412
Total	61,610	166,811	287,735	171,894	245,101	89,080	34,193	1,056,424	205,273	1,261,697	1,479,933
Support Costs	12,410	27,715	28,423	20,531		(89,080)					
Governance Costs	4,764	10,638	10,910	7,881			(34,193)				
Total	78,784	205,165	327,068	200,306	245,101			1,056,424	205,273	1,261,697	1,479,933
Total expenditure 2016	75,682	317,507	417,216	431,034	-			1,658,656	238,493	1,897,149	

Of the total expenditure, £1,016,596 was unrestricted (2016: £1,314,683) and £245,101 was restricted (2016: £165,250).

Notes to the financial statements

For the year ended 31 March 2017

6 Net income for the year

This is stated after charging /(crediting):

	2017 £	2016 £
Depreciation	17,368	34,468
Interest receivable	(1,843)	(2,733)
Operating lease rentals:		
Property	37,175	83,283
Equipment	6,963	7,417
Auditors' remuneration (excluding VAT):		
Audit	10,200	11,500
Other services	800	600
	<u>17,368</u>	<u>34,468</u>
	<u>(1,843)</u>	<u>(2,733)</u>
	<u>37,175</u>	<u>83,283</u>
	<u>6,963</u>	<u>7,417</u>
	<u>10,200</u>	<u>11,500</u>
	<u>800</u>	<u>600</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

No remuneration was paid to the Trustees during the year (2016: nil) except as noted below. Five Trustees (2016: seven) were reimbursed £4,655 (2016: £3,844) of expenses in respect of travel and subsistence expenses. A Director of ACEVO Solutions was paid a stipend of £2,750.

Vicky Browning took over as Chief Executive in January 2017 at a contractual salary of £75,000 per annum. During the year Vicky Browning was paid £13,077 in her capacity as Chief Executive, with no employer pension contributions. Vicky Browning is a member of the ACEVO Board, ex officio.

Asheem Singh acted as Interim Chief Executive from 1 June 2016 until 31 January 2017. His salary in that capacity was £70,000 per annum. During the year Asheem Singh was paid £46,666 in his capacity as Interim Chief Executive, with no employer pension contributions.

Sir Stephen Bubb held office as Chief Executive until 1 June 2016. His salary in that capacity was £107,700 per annum, plus a 10% employer's pension contribution. During the year, Sir Stephen Bubb was paid £17,950 in his capacity as Chief Executive, plus employer's pension contribution of £1,795. Sir Stephen Bubb was a member of the ACEVO Board until 1 June 2016, ex officio. Sir Stephen continued in ACEVO's employment for the rest of the year, at the same remuneration, working on the Charity Futures project.

The ratio of the highest paid member of staff to the lowest was approximately 5:1 at the year end. At the date the accounts were signed the ratio had reduced to approximately 3:1.

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

Staff costs were as follows:	2017 £	2016 £
Salaries and wages	580,865	693,637
Redundancy and termination costs	18,970	18,350
Social security costs	59,421	75,090
Pension contributions	59,129	74,330
	<u>718,385</u>	<u>861,407</u>
Salaries and wages Seconded Staff	95,053	-
Total Staff Costs	<u>813,438</u>	<u>861,407</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2017 No.	2016 No.
£60,000–£69,999	-	-
£70,000–£79,999 (including termination costs)	1	-
£80,000–£89,999	-	-
£90,000–£99,999	-	-
£100,000–£109,999	1	1

The total employee benefits including pension contribution and Social Security Costs of the key management personnel were £314,911 (2016 : £372,462)

Notes to the financial statements

For the year ended 31 March 2017

8 Staff numbers

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

	2017 Headcount	2016 Headcount	2017 FTE	2016 FTE
Raising Funds	4.5	3.8	4.1	3.4
Membership Services	3.3	6.7	2.5	6.0
Supporting	3.7	4.5	3.2	4.1
Representing : policy and advocacy	2.7	6.4	2.6	5.8
Charity Futures	1.6	-	1.6	-
Seconded Staff Charity Futures	1.0	-	1.0	-
	16.8	21.4	15.0	19.3

9 Related party transactions

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. The amount paid for this was £2,063 (2016: £2,063)

In relation to the subsidiary company ACEVO Solutions Ltd, there were no related party transactions requiring disclosure.

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.

	2017 £	2016 £
UK corporation tax at 20% (2016: 20%)	-	-

11 Tangible fixed assets

The charity and group

	Computers £	Office Equipment £	Total £
Cost			
At the start of the year	57,996	23,165	81,161
Disposals in year	-	-	-
At the end of the year	57,996	23,165	81,161
Depreciation			
At the start of the year	40,628	23,165	63,793
Charge for the year	17,368	-	17,368
Eliminated on disposal	-	-	-
At the end of the year	57,996	23,165	81,161
Net book value			
At the end of the year	-	-	-
At the start of the year	17,368	-	17,368

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 2017

12 Investments – Charity

Investment in subsidiary undertaking at cost

	Total
	£
At 1 April 2016 and at 31 March 2017	<u>1</u>

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 that meets regularly. At the Balance Sheet date The Board had five members including two ACEVO Trustees. Subsequently two ACEVO Trustees and two independent Directors resigned and Vicky Browning was appointed as a Director.

All executive directors of the Board of ACEVO Solutions are remunerated through their roles at ACEVO, and do not receive any remuneration for their position on the ACEVO Solutions Board. In the year ended 31 March 2017, one director of ACEVO Solutions received remuneration of £2,750 for the year (2016: £3,000).

ACEVO has taken advantage of the exemptions not to disclose transactions with its wholly owned subsidiary, ACEVO Solutions Limited.

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of ACEVO Solutions Limited, a company registered in England. 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 gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2017	2016
	£	£
Turnover	211,459	276,645
Cost of sales	(11,541)	(40,658)
Gross profit	<u>199,917</u>	235,987
Administrative expenses	(193,733)	(197,835)
Gift Aid payable to ACEVO	(6,184)	(38,152)
Profit / (loss) for the financial year	<u>0</u>	-
The aggregate of the assets, liabilities and funds was:		
Assets	83,805	119,917
Liabilities	(83,804)	(119,916)
Funds	<u>1</u>	<u>1</u>

14 Parent charity

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

	2017	2016
	£	£
Gross income	911,883	1,050,639
Result for the year	<u>(138,356)</u>	<u>(228,953)</u>

Notes to the financial statements

For the year ended 31 March 2017

15 Debtors	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	54,375	102,843	500	24,015
Prepayments	13,564	18,228	13,564	18,228
Accrued income	-	21,608	-	13,208
Other debtors	2,450	4,155	2,450	4,155
Amounts due from (to) subsidiary undertaking	-	-	64,361	82,635
	70,390	146,834	80,875	142,241

16 Creditors: amounts falling due within one year	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Membership fees received in advance	186,795	228,618	186,795	228,618
Other income received in advance	1,699	8,481	1,699	8,481
Trade creditors	29,548	41,100	29,485	40,157
Accruals	45,139	40,923	40,139	40,923
Taxation and social security	29,472	45,953	29,472	45,953
Deferred income	14,380	36,338	-	-
	307,032	401,413	287,590	364,132

Membership fees received in advance comprises £171,233 for 2017/18, £12,124 for 2018/19 and £3,438 for 2019/20

17 Movements in income received in advance and deferred income

All amounts brought forward for income received in advance and deferred income were released in the year. All year end balances relate to income where the work has not yet been completed and therefore the income cannot be recognised.

18 Analysis of group net assets between funds 2017

	Restricted funds £	General unrestricted £	Designated funds £	Total funds £
Tangible fixed assets	-	-	-	-
Current assets	4,652	458,816	-	463,468
Current liabilities	-	(307,032)	-	(307,032)
Net assets at the end of the year	4,652	151,784	-	156,436

Analysis of group net assets between funds 2016

	Restricted funds £	General unrestricted £	Designated funds £	Total funds £
Tangible fixed assets	-	-	17,368	17,368
Current assets	-	678,837	-	678,837
Current liabilities	-	(401,413)	-	(401,413)
Net assets at the end of the year	-	277,424	17,368	294,792

Notes to the financial statements

For the year ended 31 March 2017

19 Movements in funds 2017

	At the start of the year	Income	Expenditure	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Charity Futures	-	264,753	(245,101)	(15,000)	4,652
Total restricted funds	-	264,753	(245,101)	(15,000)	4,652
Unrestricted funds:					
Designated funds:					
Fixed Assets Fund	17,368	-	-	(17,368)	-
Total designated funds	17,368	-	-	(17,368)	-
General funds	277,424	858,588	(1,016,596)	32,368	151,784
Total unrestricted funds	294,792	858,588	(1,016,596)	15,000	151,784
Total funds	294,792	1,123,341	(1,261,697)	-	156,436

Purposes of restricted funds

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. It is intended that the programme will become independent during 2017. The transfer of £15,000 during the year represents a service charge (administrative costs) to ACEVO's unrestricted funds from the Charity Futures project.

Purposes of designated funds

Tangible Fixed Assets Fund: This fund represents the net book value of tangible fixed assets. The fund recognises that such assets are required for the day to day work of the charity and are not available as free reserves. A transfer from the fund was made during the year equivalent to the depreciation charge, as a result of which the fund was fully expended during the year.

Notes to the financial statements

For the year ended 31 March 2017

Movements in funds 2016

	At the start of the year	Income	Expenditure	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Transforming Care	-	68,750	(68,750)	-	-
Charity Governance	-	50,000	(50,000)	-	-
Loneliness in London	-	29,500	(29,500)	-	-
Low Commission on Charity Regulation	-	17,000	(17,000)	-	-
Total restricted funds	-	165,250	(165,250)	-	-
Unrestricted funds:					
Designated funds:					
Fixed Assets Fund	51,836	-	-	(34,468)	17,368
Total designated funds	51,836	-	-	(34,468)	17,368
General funds	433,757	1,123,883	(1,314,683)	34,468	277,425
Total unrestricted funds	485,593	1,123,883	(1,314,683)	-	294,793
Total funds	485,593	1,289,133	(1,479,933)	-	294,793

Purposes of restricted funds

Transforming care is a grant for the work post Winterbourne View, this was a one-off payment to support the project for a year starting in March 2015, therefore £6,250 was accounted for in 2014/15.

Charity governance is a grant for work relating to Charities Governance, this was a one off grant for feasibility

Loneliness in London is grant to enable ACEVO to undertake a review of Loneliness of young people in London which was launched in March 2016.

Low Commission on Charity Regulation is a grant to match funding by ACEVO for a review of charity regulation. £1,000 has been deferred at the end of March 2016 as the final report has not yet been launched.

Purposes of designated funds

Tangible Fixed Assets Fund: This fund represents the net book value of tangible fixed assets. The fund recognises that such assets are required for the day to day work of the charity and are not available as free reserves.

20 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(138,356)	(190,801)
Depreciation charges	17,368	34,468
Dividends, interest and rent from investments	(1,843)	(2,733)
Decrease in debtors	76,444	136,187
(Decrease) in creditors	(94,381)	(130,858)
Net cash provided by / (used in) operating activities	(140,768)	(153,737)

Notes to the financial statements

For the year ended 31 March 2017

21 Analysis of group cash and cash equivalents

Group	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	282,004	(138,924)	-	143,079
Deposits (less than 3 months)	250,000	-	-	250,000
Total cash and cash equivalents	532,004	(138,924)	-	393,079

22 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		Equipment	
	2017 £	2016 £	2017 £	2016 £
Less than one year	15,613	36,772	6,347	6,347
Two to five years	-	12,257	3,173	3,702
Over five years	-	-	-	-
	15,613	49,029	9,520	10,049

23 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.