



Association of Chief Executives of Voluntary Organisations

Trustees' Report

and

Consolidated Financial Statements for the year ended

31 March 2018

Company number: 03514635

Registered Charity number: 1114591

Contents

Trustees' report	3
Introduction	
Chair's report	
Highlights of 2017-18: our year in numbers	
Purposes and activities	
ACEVO membership	
Achievements and performance	
Membership	
Membership services	
Training and development	
Policy and representation	
Grant funding	
Charity Futures	
Financial review	
Future plans	
Reference and administrative details	
Structure governance and management	
Trustees' responsibilities in relation to the financial statements	
Statement as to disclosure to our auditors	
Auditor reappointment	
Approval	
Independent auditor's report.....	20
Consolidated statement of financial activities.....	23
Balance sheets	24
Consolidated statement of cash flows	25
Notes to the financial statements.....	26

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 2018, 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 26 to 28 and comply with the Charities Act 2011, the Companies Act 2006, the charitable company's Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice 2015 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

CHAIR AND CEO'S REPORT

Civil society is being relied on more and more to deliver services that the public sector can't and the private sector won't. It advocates for those who sometimes cannot access support on their own. It campaigns to ensure a fairer, more socially just society across our regions, the UK and internationally. And it contributes enormously to positive engagement with arts, sport, faith and communities.

Investing in civil society's leaders – whether through encouraging peer support and sharing of good practice, by offering leadership development opportunities, or by reinforcing leaders' mental health and resilience – is an effective way of both protecting and increasing the impact of civil society. Having celebrated our 30th anniversary this year, we move into our fourth decade looking forward to continuing to work with our network to provide connections, advocacy and skills for civil society leaders looking to make the biggest possible difference.

This has been an exciting year for ACEVO as we've worked to reinvigorate and refresh our organisation and boost engagement with our members.

We've been out and about across the country connecting and conversing with our members. We've refreshed our vision, purpose and values and consulted widely with our members as to how they want the organisation to adapt in our continuing mission to support, develop and champion our sector's leaders. And we've seen a corresponding rise in member satisfaction, with renewal rate (a key measure of member satisfaction), increasing from 64% to 80% year on year. Levels of new members joining have increased and the outcome is a more stable, more satisfied and more engaged membership.

After five years of deficit, we're also pleased to have stabilised our finances to produce a surplus this year of £67k, bringing our reserves level back into the range agreed by our trustees.

Our annual report outlines some of the achievements and challenges over the past year and most importantly features the voices of our members sharing their experiences of being part of ACEVO, shown as **red quotes** throughout this report. We believe our work is vital for the wellbeing of our members and the corresponding wellbeing of civil society as a vital part of our society.

Paul Farmer, chair
Vicky Browning, chief executive officer

Highlights 2017-18

<p>30  years of acevo</p>	<p>1,105  civil society leaders making the biggest possible difference</p>	<p>40  corporate partners sharing our vision and supporting our members</p>
<p>Renewal rate increased  64% 80% 2017 2018</p>	<p>New members joining  ↑ 33%</p>	<p>“I thoroughly enjoyed myself and see huge value in joining”</p>
<p>25  CEO forums in 7 locations</p>	<p>6 special interest group meetings on 4 issues • health & social care • arts & heritage • women in leadership • faith-based charities</p>	<p>232,775  visits to our website  22,000 Twitter followers</p>
<p>“The support I received from ACEVO means I have come through such a difficult process more positively than otherwise would have been possible”</p>	<p>4 new member services • ACEVO jobs board • workplace mediation • discounted DBS checks • free Henley Business School coaching</p>	<p>90 members supported  in time of need</p>
<p>8 leadership training  workshops</p>	<p>34  mentoring matches</p>	<p>30 acevo fellows </p>
<p>“ACEVO is a distinctive voice for leaders in the third sector”</p>	<p>5 policy pillars  Regulation Campaigning Diversity Commissioning Brexit</p>	<p>“Proud to be an ACEVO member!”</p>
<p>50+  interviews: TV, radio & newspaper</p>	<p>ACEVO's greatest strength is our network of fantastic members, supported by our corporate partners and funders. Thank you for being with us.</p>	

PURPOSES AND ACTIVITIES

ACEVO's vision is to see civil society leaders making the biggest possible difference.

Together with our network we inspire and support civil society leaders by providing connections, advocacy and skills.

Our values are to be:

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

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 civil society. By supporting CEOs and strengthening leadership within the sector, ACEVO enables its members to have a greater impact on their organisations and - through them - their beneficiaries and causes. We believe that investing in our sector's leaders strengthens the impact they achieve.

“We need ACEVO’s leadership to bring together the strongest voices, the best thinkers, and the most passionate hearts in our sector. That’s the kind of partnership that makes a real difference.”

ACEVO MEMBERSHIP

ACEVO is the Association of Chief Executives of Voluntary Organisations. For 30 years, we have provided support, development and an inspiring, collective campaigning voice for our members across the UK. ACEVO's network of over 1,100 individuals includes the leaders of small, community based groups, ambitious medium-sized organisations, and well known, well-loved national and international not-for-profits.

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

ACEVO membership is for individuals, with fees 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 former or between-role CEOs, chairs and trustees.
- Affiliate membership is open to leaders of organisations with a turnover of £150k or less.

The support we provide for our members falls into three categories: membership services, training and development and policy representation. Our services seek to:

- Support our members at every step of their leadership journey through personal and professional development;
- Encourage and promote good governance through a wide range of support, services and resources;
- Enable members to access peer support and knowledge sharing through building key relationships and connections across our network;
- Represent members' interests by ensuring their voice is heard by opinion formers and influencers at the highest level and by campaigning on key policy issues which reflect members' needs and priorities;
- Develop and nurture the leaders of tomorrow.

We also have a corporate partner offer open to for-profit organisations who are interested in connecting with charity and social enterprise leaders through ACEVO, and who share our vision for the sector.

ACHIEVEMENTS AND PERFORMANCE

MEMBERSHIP

At the end of March 2018 we achieved our budgeted target of 1,105 members. While the overall year-end figure showed a slight drop on the previous year (1,165), this was mainly due to a number of one-year promotional membership bulk deals coming to an end.

Encouragingly, we had a 33% increase in the number of new members joining (242 in 17-18 compared to 182 in 16-17) and crucially our average annual retention rate increased from 64% to 80% year on year.

“Joining ACEVO, talking with staff and other members and taking an active part in discussions and events has been an important and integral part of my development and work.”

While we have done a lot to hone and shape the member offer, our focus moving into new financial year will be to continue to improve member engagement and retention levels, and encourage new joiners. To help inform this, towards the end of 2017, ACEVO commissioned some research to help us achieve better engagement with existing members, attract new members, achieve a more distinctive position in the marketplace and deliver clear member value. The challenges and solutions identified by this research include:

- the need for greater personalisation of services and communications
- improving the timeliness and relevance of our offers to members
- making greater use of digital technology to enable members to connect and share ideas or problems
- the encouragement of local networking events organised and led by local CEOs with relevant expertise
- a review of ACEVO's brand framework, visual identity and associated messaging to address some of the issues of clarity, distinctiveness and personality.

The ACEVO staff team and board of trustees are taking the issues raised by the research as the basis of a new three year strategic plan which will be produced during the first half of the new financial year.

MEMBERSHIP SERVICES

Member events

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.

- Our regular **CEO forums** remain a core part of our commitment to engage with members regularly across the country. These forums remain our most popular networking events and have continued to gain momentum, with record numbers of attendees, particularly at our London and South East forum.

During the year we held 25 CEO forums in Wales and six major regions across England - London and South East, Midlands, North West, North East, South West, Wales and Yorkshire and Humber.

We continue to shape our CEO forums based on actively seeking feedback from members. Each region has different priorities and we tailor the meetings around their needs and interests. Our members are keen to help us shape the agenda around key topics which are particularly relevant to the region.

A good example of this was when our members told us that GDPR is a huge concern for them. We set up a series of Q&A sessions at forums with our corporate partners, giving members from all over the country a chance to get expert legal advice on planning for GDPR.

“It was great meeting likeminded professionals and having an opportunity to discuss key topics. I was delighted to meet a fellow chief exec who I really connected with and we will stay in touch, providing support to each other.”

- Our **special interest groups** (SIGs) provided a valuable chance for members to connect and discuss sector specific issues with key stakeholders. This year we set up steering committees of members to help us shape agendas and outputs for our SIGs. This was part of our wider engagement strategy to ensure that our work is rooted in what our members want and need and that the meetings are relevant and pertinent.

We held six SIGs this year across on four issues – health and social care; women in leadership; arts and heritage and faith-based charities. One of our health and social care SIGs took place at Hempsons' offices in London and was linked by live video conference facilities to a further two other Hempsons' offices (Newcastle and Leeds) so members had the opportunity to join the event in a number of locations across the country.

“I thoroughly enjoyed myself and see a huge value in joining.”

- This year we held three **new members' lunches** to provide our members with the chance to meet and network with other new members, build vital relationships and earn more about ACEVO's member benefits. The popularity of these events is a clear indication that our new members are active and wanting to engage.

“Many thanks for a great meeting this lunchtime. I was energised!”

Member advice and support

CEO in crisis

This year we supported 32 members, plus continuing support for seven members from the previous year.

“Thank you for talking to me regularly and consistently to discuss matters as they evolved. You are an excellent listener, facilitator and guide to help me navigate through a very painful, and otherwise isolating and at times scary process of decision making and change. The support I have received via ACEVO membership has meant I have come through such a difficult process more positively than otherwise would have been possible.”

In September 2017 we extended our crisis support via a new mediation service for ACEVO members to help resolve issues and problems as early as possible and to put things in place to prevent a crisis evolving.

Governance advice line

In 2017-18, 39 members accessed this service, with 12 continuing from the previous year. More members are using this service now to discuss their concerns and seek guidance and support early on, before a possible crisis develops.

“Many thanks for your support: it is reassuring just to speak to other people. While I know that in this job a feeling of isolation goes with territory and I have been a CEO for a long time there is always the tendency to end up wondering if you are exaggerating the seriousness of issues.”

Member support service

ACEVO has always responded to member calls for support or advice over any subject or issue they may have, for example: commissioning and procurement; developing an effective senior team; negotiating pay review; DBS checks. From November 2017 we started to record the nature of the calls to ACEVO of this type and responded to 16 members in this period.

TRAINING AND DEVELOPMENT

During the year, we held eight leadership training one day workshops including sessions on Stress Signals; Finding Focus; Good Governance; Navigating Uncertainty; Agile CEO; Confident Conversations and Putting Values to Work. These were all designed for charity or social enterprise CEOs and senior leaders.

“Excellent trainer: flexible approach but still delivered all of the expected content. Sensible and respectful confidential discussion with other participants - I valued their experience.”

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

“It really challenged my perceptions about how to approach certain situations. It enabled me to better understand certain colleagues and how to improve relationships at work.”

Our range of leadership development planning online tools supported ACEVO members with their personal and professional development. These include a template questionnaire and plan, leadership reflection plan, career development plan and a 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 2018, ACEVO's *Leadership Development Planning Tools* web page was accessed 268 times by at least 209 people.

Fellowships

The ACEVO Fellowships identify inspirational sector leaders from across the country who deserve greater recognition for their work and achievements, and invest in their development. Thanks to sponsorship from the Leadership Trust Foundation, five charity leaders were awarded a Fellowship bringing our total Fellows to 30 in our 30th year. Each Fellow was awarded a place on the Leadership Trust leadership in management development programme (value £3,000 each) and a package of ACEVO support.

“I feel a deeper connection to ACEVO and its mission, and have positioned myself more to support other leaders, moving from a net receiver of support to a net provider.”

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. This year we successfully matched 34 members.

"I would like to confirm how helpful I have found your mentoring service. You put me in touch with my mentor - an experienced CEO - and he has been and continues to be an absolute gem! I feel I have got someone on my side who I can openly and honestly bounce things off, whose brains I can pick and who can give me a fresh perspective on things while challenging (gently) my ideas and thoughts."

POLICY AND REPRESENTATION

In spring 2017 we launched a new policy strategy focusing our attention on five key policy pillars: regulation, campaigning, diversity, commissioning and Brexit. Highlights of our policy activity over the year include:

Regulation: ACEVO wrote to the Secretary of State for Digital, Culture, Media and Sport, and to the DCMS Select Committee to voice concerns that the appointment of Baroness Stowell, who at the time of appointment was a Conservative peer, could be perceived as party political. We also used the opportunity to call for greater transparency in the appointment process. ACEVO led the response in partnership with Bond, CFG, DSC, NAVCA and Children England. The Select Committee referenced these letters in its report on the pre-appointment hearing.

Campaigning: In April 2017 we launched *Speaking Frankly, Acting Boldly* our report on charity campaigning. The report was very well received has established ACEVO as a strong proponent and expert on campaigning in the charity sector.

In late 2017 a member brought to our attention that there was an anti-advocacy clause in tampon tax funded projects. ACEVO's CEO Vicky Browning released a statement criticising this decision and Tracey Crouch subsequently announced that the money can be used for awareness raising as long as the intention is not to change government policy or attract more funding. DCMS has now updated the online guidance for applicants. We continue to push for a universal ban of anti-advocacy clauses in government grants.

"Many congrats and thanks on this. Proud to be an ACEVO member!"

Vicky, along with the CEOs of Bond and NCVO met with Claire Bassett, CEO of the Electoral Commission, to discuss what can be done to support charities whose campaigning work is being restricted by the Lobbying Act. Following this meeting ACEVO worked with NCVO and Bond to develop and submit a proposal and recommendations for the Electoral Commission on how it can improve its guidance on campaigning. We will continue to urge the government to reopen the conversation on amending the Lobbying Act, and implement Lord Hodgson of Astley Abbotts' recommendations.

Diversity: In February 2018 ACEVO released its annual *Pay and Equality Survey*. In March, ACEVO hosted a roundtable that considered how racial diversity in civil society leadership could be improved. In the short term we have committed to writing a charter highlighting best practice in recruitment and mapping existing diversity projects within the charity sector. We are currently working with partners on developing a longer term project to address the structural problems that lead to inequality within the voluntary sector.

Commissioning: Commissioning has been the focus of a number of conversations in ACEVO's health and social care special interest group. The policy team is currently seeking funding for a project that will look at good leadership in regards to commissioning.

Brexit: ACEVO continues to engage with the Office for Civil Society and the shadow civil society minister on issues relating to Brexit, as well as linking in with the group chaired by Unlock Democracy which supports civil society to engage with the Brexit process.

“ACEVO is a distinctive voice for leaders in the third sector. It’s important to me that there is a voice for sector leaders which is separate and distinct from the sector organisations. We have different things to say and we need to be able to say them. ACEVO is very effective at putting that voice across to whoever needs to hear it.”

Other significant pieces of work

ACEVO has been at the forefront of responding to the safeguarding concerns that have been raised since *The Times* published its report on Oxfam workers in Haiti. We have given over 50 television, radio, and newspaper interviews. ACEVO’s leadership in this matter has been praised by members and colleagues in the voluntary sector. ACEVO is now leading the work on good leadership in safeguarding for domestic charities and is part of the equivalent international group.

“It’s been a great comfort to a lot of us in senior management in the sector to hear your wise words on various media outlets standing up for the sector with charm and rationality.”

ACEVO has responded to the government’s Civil Society Strategy. As well as submitting a written response, we have worked with fellow membership bodies to submit a joint letter to the Secretary of State for DCMS and the Minister for Civil Society, and attended a number of roundtables hosted by DCMS and the Office for Civil Society.

ACEVO has relaunched its blog, with at least one new blog each week drafted by either members or staff. By this time next year we aim for the blog to become a trusted source of tips, information and support for our members.

30th anniversary

In November 2017 ACEVO turned 30. In order to mark the occasion we asked 30 people in and around the charity sector to contribute their thought-provoking insights. We set up a microsite, 30thingstothinkabout.org, to host the blogs. The site received over 14,500 page views.

“Important, challenging thinking”

Publications

During the year, 324 of our paid-for publications were purchased. These covered a range of topics, from the annual *Pay and Equalities Survey* to our most popular guides *The Chief Executive’s First 100 Days* and *Leading the CEO and chair to effective governance*. These are available to members on our website www.acevo.org.uk.

“ACEVO’s publication *Leading the CEO and chair to effective governance* has really helped us shape an organisation that’s fit for purpose with a board and executive that are both functioning well.”

GRANT FUNDING

ACEVO has been grateful for the support of a number of trusts, foundations and grantors in 2017-18. Through funding our work, these organisations have demonstrated their belief in ACEVO as a vital part of a successful, impactful voluntary sector and enabled our beneficiaries to create the change they believe is essential to their beneficiaries. Thanks to Barrow Cadbury Trust, Calouste Gulbenkian Foundation, Esmée Fairbairn Trust, Lloyds Bank Foundation, Pears Foundation, Paul Hamlyn Foundation and Woodford Investment Management.

Corporate partnerships

Our civil society members are joined by ACEVO's corporate partners who share our passion for a better society, and make a significant contribution to our work. By working with corporate partners, we can offer our members access to bespoke support services for the charity and not-for-profit sector as well as the opportunity to speak directly with reputable organisations that can be of benefit to their charitable mission.

Our corporate partners offer a wide range of services ranging from accountancy and banking services to legal, market research and digital support.

We are particularly grateful to our strategic partners: Hempsons, NatWest, Ellis Whittam, Second Sight, EnergyCentric, and CAF. And also to our sponsors: Sarasin, Stone King, Russam GMS and haysmacintyre.

Premium partners and our corporate supporters have also supported us both financially and in kind and we are grateful. ACEVO corporate partners hosted 30 ACEVO events forums or meetings, attended by over 250 members.

We were delighted to introduce two new member services this year: ACEVO's online DBS service and ACEVO Jobs.

ACEVO Solutions Ltd is a wholly owned subsidiary company of ACEVO, delivering corporate sponsorship and affinity activity, both of which support ACEVO's main charitable activities, and some financial services delivery for the newly independent Charity Futures. Income generated from sponsors, partners, corporate fees and product sales amount to £202,956.

“Ellis Whittam has worked in partnership with ACEVO for the past 10 years, and it is a relationship we value greatly. We have grown our charity client base significantly in this time and our association with ACEVO has undoubtedly been viewed as a mark of quality by prospective and existing clients alike. We have shared values and understanding of the needs of charities, and our specialist knowledge and understanding of the sector has continued to grow through a genuine collaborative approach that I believe has been to the benefit of both ACEVO and its members.”

CHARITY FUTURES

Charity Futures, the think tank incubated by ACEVO and set up to assess the long-term challenges facing the charitable sector and to investigate diverse approaches for surmounting them, now operates independently. Third Sector Futures CIC was established to take this project 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 23. Income for the year was £888,130 (2017: £1,123,341); costs were £826,222 (2017: £1,261,697). The unrestricted surplus in 2017-18 was £66,560 (2017: a deficit of £158,008). The application of funds in support of ACEVO's charitable activities is disclosed in note 5. At 31 March 2018 total group fund balances increased to £218,344 (2017: £156,436).

The trading subsidiary, ACEVO Solutions Limited, made a surplus of £119,329 during the year (2016: £6,184) (see note 13). This will be paid to ACEVO as a distribution.

Reserves policy

In defining its reserves policy, the trustees have considered the level of free reserves it is appropriate for the

charity to hold in order to ensure its financial sustainability, future strategic development and continuing to operate and meet the needs of members in the event that unforeseen and potentially financially damaging circumstances arise. It has taken into account the reliability and continuance of future income generation and funding, timing of cash flows and working capital requirements and cover for unplanned emergency repairs and premises costs. Free reserves represent unrestricted general funds of the charity excluding restricted and designated funds.

The trustees consider therefore that it would be prudent to set aside an amount equivalent to between three and six months of the forthcoming year's planned expenditure costs - for 2018-19 this would be between £206,000 and £412,000. The free reserves at 31 March 2018, £218,344, are within the range of its reserves policy.

Going concern

The board and management are engaged in developing strategies that will sustain a future for ACEVO and has reviewed its status as a going concern. Forecast cash flows and budgets for at least 12 months provide the board with sufficient ability to make appropriate financial decisions. A balanced model of income generation has been achieved and membership benefits are continually assessed in the light of retaining, re-engaging and recruiting members. New business initiatives and energy have further developed relationships with corporate partners and sponsors.

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 remain at the heart of everything we do. Next year we will:

Grow our membership base

- Review member benefits, membership fee and application process.
- Refresh the current website to give greater clarity and consistency on member benefits and plan for a new ACEVO website for launch by the end of next year.
- Undertake a brand refresh.

Increase our member retention rate

- Better engage with members throughout their membership lifecycle.
- Ensure our programmes, events and activities are tailored to support the needs of our membership, are designed according to demographics and primary area of business and are of a consistently high quality.
- Introduce greater personalisation of member communications.
- Introduce a digital 'hub' to strengthen ACEVO's engagement with its members and to facilitate our members' direct engagement with each other.
- Further develop our peer mentoring service.
- Increase opportunities for member feedback and consultation on key issues, capturing views and revising our offer based on members' priorities.

Continue to support our members

- Respond to all member advice and support calls, identify issues of common concern and use this data to inform membership and policy activity.

- Respond to, support and advise CEOs when they feel their job is under threat. Our aim continues to be to reduce the number of CEOs needing our CEO in Crisis service, and to encourage them to call earlier, be more aware, not to ignore issues, and to build their personal resilience.

Champion good governance

- Establish ACEVO as the voice and promoter of good governance and the role of the CEO in this. Support members to effect this positively. Include best practice from the Charity Governance Code, which ACEVO helped to develop, and the role for CEOs in executing this.
- Lead by example in our own adoption of the Charity Governance Code.
- Promote the ACEVO governance advice line, and more emphasis for members to get in touch well ahead of any crisis developing; make them aware of possible warning signs and work with them to problem solve.
- Develop more online governance tools and templates for ACEVO members.
- Work with the Association of Chairs to jointly promote the need for positive chair/CEO relations, including delivering two Dynamic Duo events.

Further improve our training and development offers

- Continue to provide personal/professional development plans for members – encourage all new members to review their roadmap for their career and identify the steps they need to reach their full potential.
- Review our leadership learning and development offer, building on the leadership competencies developed with members. Develop our programme of one day leadership learning events, drawing on feedback from member personal/professional development planning calls, member support services and current issues raised, and linked to the competencies as above.
- Work with the new chair of the Leadership Trust Foundation to continue the ACEVO Fellowships for 2018.

Represent our members to key influencers

- Consult with members on the implications of Charity Commission charging and place their views at the centre of the debate on the issue.
- Hold government to account on fairness and transparency of appointments to the Charity Commission board.
- Work with the Electoral Commission to clarify charity guidance on the Lobbying Act.
- Continue to urge the government to reopen the conversation on amending the Lobbying Act, and implement Lord Hodgson of Astley Abbotts' recommendations.
- Develop a programme of work/initiatives that aim to improve the number of people from a BAME background in leadership positions in the charity sector.
- Work with members to understand what skills, networks and knowledge they need in order engage fully in the commissioning process.
- Produce a report on good leadership in building a safe workplace culture.

Work with our corporate partners

- Continue to expand our partnerships and the value they bring to our members by engaging with companies in sectors not currently covered in our suppliers' directory.
- Deepen our engagement with our corporate partners.

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	150 Fenchurch Street, London EC3M 6BB
Trustees	Paul Farmer, chair to 22 June 2018 Jon Sparkes (vice chair to 7 December 2017) Joe Irvin (vice chair from 7 December 2017, chair from 22 June 2018) Jill Halford, treasurer Kulbinder Kang Rachel Kelly (until 7 December 2017) Kate Macdonald (until 20 September 2017) Jehangir Malik Ruth Marks (appointed 7 December 2017) Othman Moqbel Menai Owen-Jones (appointed 7 December 2017) Natasha Singarayer (until 23 August 2017) David Smith (appointed 7 December 2017) Sarah Talbot-Williams (until 7 December 2017) Sue Tibballs (appointed 7 December 2017) Kate Welch Clare White (appointed 7 December 2017)
Chief executive	Vicky Browning (an ex officio trustee)
Company secretaries	Lew Hodges (until 25 October 2017) Paul Bugden (from 25 October 2017)
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 (or equivalent) 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 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				
	02/05/2017	06/07/2017	12/10/2017	07/12/2017	05/03/2018
Vicky Browning (CEO)	√	√	√	√	√
Paul Farmer (chair)	√	√	√	√	√
Jill Halford (treasurer)	√	√	√	√	√
Rachel Kelly	X	√	√	√	•
Kate Macdonald	√	•	•	•	•
Natasha Singarayer	√	•	•	•	•
Jon Sparkes	√	√	√	X	•
Sarah Talbot-Williams	√	√	√	√	•
Jehangir Malik	√	√	X	√	X
Joe Irvin	√	X	√	X	√

Association of Chief Executives of Voluntary Organisations
Trustees' report and financial statements for the year to 31 March 2018

David Smith (elected 12.17)	•	•	•	•	√
Kate Welch	√	√	√	√	√
Kulbinder Kang	√	√	×	√	√
Menai Owen-Jones (elected 12.17)	•	•	•	•	√
Othman Moqbel	×	×	√	√	√
Ruth Marks (elected 12.17)	•	•	•	•	√
Sue Tibballs (elected 12.17)	•	•	•	•	√
Clare White (elected 12.17)	•	•	•	•	×

The board has delegated detailed aspects of its work to a Finance and Audit Committee. The board members who served on the committee were Jill Halford (chair), Joe Irvin, Kate Macdonald (from February 2017 to 20 September 2017), Kulbinder Kang, Sarah Talbot-Williams (to 7 December 2017) and Robin Osterley (from 26 April) who served as a co-opted member of the committee.

The Finance and Audit Committee has key responsibilities for

- ongoing monitoring and review of financial performance
- ensuring there is a framework for accountability
- reviewing the systems of internal control
- identifying, managing and reporting of financial and operational risk
- ensuring ACEVO is compliant with relevant legal and regulatory requirements, 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, (to 22.06.17), Jon Sparkes (to 7.12.17), Joe Irvin (from 7.12.17) 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.

ACEVO's board was deeply saddened by the death of our friend, colleague and trustee Natasha Singarayer in August. As CEO of housing support organisation Abbeyfield, Natasha was a champion of the quality and independence of life for the elderly. She brought clarity of thought not only to ACEVO but to the sector more broadly. Her life was one of contribution and she is missed.

Trustees leaving the board over the year, with our thanks for their input and service, included Rachel Kelly, Kate Macdonald, Jon Sparkes and Sarah Talbot-Williams.

We were also saddened to see Paul Farmer step down as chair in June 2018, a few months earlier than was originally scheduled, for personal reasons, so he can devote some time to support his wife through a serious illness. Paul has been a pillar of strength for ACEVO, steering the organisation through challenging times with skill, sensitivity and strategic wisdom. We thank him hugely for his commitment and service and wish him and his wife the best for her speedy recovery.

We were delighted to welcome new trustees in the shape of Ruth Marks, Menai Owen-Jones, David Smith, Sue Tibballs and Clare White.

Key management personnel

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

Jenny Berry, director of leadership and governance

Vicky Browning, chief executive

Paul Bugden, head of finance and administration

Pete Johnson, head of business development

Anne Wallis, head of membership and marketing

Kristiana Wrixon, head of policy

Related parties

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

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

Remuneration policy

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

Vicky Browning, chief executive received a salary of £71,990 plus pension benefits of 6%. Vicky Browning is an ex officio trustee. ACEVO's articles require the chief executive to be a trustee, and allow the chief executive to be remunerated. Sir Stephen Bubb was an employee until 31 May 2017 at a salary of £107,700 plus an employer's pension contribution of 10%. He was a director of the Charity Futures programme until he resigned from ACEVO in May 2017 to run Charity Futures as an independent organisation.

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.	Active emphasis on retention and recruitment of members: improving retention rate and good levels of new joiners suggest this is effective. Member research/audience insight project undertaken to influence future strategy.
ACEVO does not have sufficient resources to provide essential membership and media services.	Rebalance of activities within available resources; grant funding secured; positive growth in corporate income; full, proactive team in place.
Financial sustainability	Monitoring procedures in place, greater clarity on financial status, improving membership, corporate and fundraising performance, achieved surplus now leaves reserves within the desired range.
Loss of key staff	Strong management team in place; staff satisfaction significantly higher.

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

Fundraising

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

Equality and diversity 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, hosting a special interest group for women CEOs and our partnership work on improving racial diversity in civil society leadership.

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

APPROVAL

The trustees' annual report was approved by the trustees on 5 July 2018 and signed on their behalf by

Joe Irvin
Chair

Jill Halford
Treasurer

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

Opinion

We have audited the financial statements of Association of Chief Executives of Voluntary Organisations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 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 2018 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 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the 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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Use of our report

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

Judith Miller (senior statutory auditor)

24 July 2018

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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2	130,035	-	130,035	42,202	-	42,202
Charitable activities							
Membership services	3	471,609	-	471,609	475,767	-	475,767
Training and development	3	70,794	-	70,794	111,193	-	111,193
Policy and representation	3	-	-	-	16,125	-	16,125
Supporting services and projects	3	-	49,000	49,000	-	264,753	264,753
Other trading activities	4	166,264	-	166,264	211,459	-	211,459
Investments		428	-	428	1,843	-	1,843
Total income		839,130	49,000	888,130	858,589	264,753	1,123,342
Expenditure on:							
Raising funds		44,511	2,806	47,318	284,057	-	284,057
Charitable activities							
Membership services		338,686	21,352	360,038	205,165	-	205,165
Training and development		198,949	12,543	211,492	327,068	-	327,068
Policy and representation		190,424	16,951	207,374	200,306	-	200,306
Supporting services and projects		-	-	-	-	245,101	245,101
Total expenditure	5	772,570	53,652	826,222	1,016,596	245,101	1,261,697
Net income/(expenditure) for the year	6	66,560	(4,652)	61,908	(158,008)	19,652	(138,356)
Transfers between funds		-	-	-	15,000	(15,000)	-
Net movement in funds		66,560	(4,652)	61,908	(143,008)	4,652	(138,356)
Reconciliation of funds:							
Total funds brought forward		151,784	4,652	156,436	294,792	-	294,792
Total funds carried forward		218,344	-	218,344	151,784	4,652	156,436

All of the above results are derived from continuing activities, except for consultancy activities undertaken by 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 2018

	Note	Group 2018 £	2017 £	Charity 2018 £	2017 £
Fixed assets:					
Tangible assets	11	-	-	-	-
Investment in subsidiary undertaking	12	-	-	1	1
		-	-	1	1
Current assets:					
Debtors	15	62,083	70,390	253,458	80,875
Short term deposits	21	240,465	250,000	240,465	250,000
Cash at bank and in hand	21	270,830	143,078	50,971	113,149
		573,378	463,468	544,894	444,025
Liabilities:					
Creditors: amounts falling due within one year	16	355,034	307,032	326,551	287,590
Net current assets		218,344	156,436	218,343	156,435
Total net assets		218,344	156,436	218,344	156,436
Funds:					
Restricted funds	19a	-	4,652	-	4,652
Unrestricted funds:					
General Funds		218,344	151,784	218,344	151,784
Total unrestricted funds		218,344	151,784	218,344	151,784
Total funds		218,344	156,436	218,344	156,436

The parent charity result for the year included in the group accounts is a surplus of £61,908, (2017: a deficit of £138,356).

Approved by the trustees on 5 July 2018 and signed on their behalf by

Joe Irvin
Chair

Jill Halford
Treasurer

Association of Chief Executives of Voluntary Organisations

Consolidated statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		117,789		(140,768)
Cash flows from investing activities:					
Dividends, interest and rents from investments		428		1,843	
Net cash provided by / (used in) investing activities			428		1,843
Change in cash and cash equivalents in the year			118,217		(138,925)
Cash and cash equivalents at the beginning of the year			393,078		532,003
Cash and cash equivalents at the end of the year	21		511,295		393,078

1 Accounting policies

a) Statutory Information

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

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

e) Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the

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

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

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

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of support costs

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

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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 |

1 Accounting policies (continued)

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

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.

r) Critical judgements and estimates

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

2 Income from donations and legacies

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Donations	130,035	–	130,035	–
Donated services and facilities	–	–	–	42,202
	–	–	–	–
	<u>130,035</u>	<u>–</u>	<u>130,035</u>	<u>42,202</u>

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

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2018

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Membership Fees	471,609	-	471,609	475,767
Training and development	70,794	-	70,794	111,193
Policy and representation	-	-	-	16,125
Supporting services	-	49,000	49,000	264,753
Other	-	-	-	-
Total	542,403	49,000	591,403	867,838

4 Income from other trading activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Sponsorship Income	76,380	-	76,380	51,570
Commissions received from affinity schemes	43,938	-	43,938	31,279
Trading income from business activities	45,946	-	45,946	128,610
			-	-
Total	166,264	-	166,264	211,459

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2018

5 Analysis of expenditure

	Staff	Other direct costs	Support	2018 Total	2017 Total
Charitable activities					
Membership services	139,766	29,097	191,175	360,038	245,030
Training and development	59,487	49,569	102,436	211,492	390,620
Policy and representation	80,955	-	126,419	207,374	239,228
	<u>280,208</u>	<u>78,666</u>	<u>420,030</u>	<u>778,904</u>	<u>874,878</u>
Other trading activities					
Cost of raising funds	30,167	470	16,681	47,318	386,819
	<u>310,375</u>	<u>79,136</u>	<u>436,711</u>	<u>826,222</u>	<u>1,261,697</u>

	Member Services	Training and development	Policy and representation	Cost of raising funds	Total
Support costs					
Management and admin	108,769	57,728	72,257	9,293	248,047
Office and premises	62,810	33,512	41,449	5,511	143,282
Governance	8,573	4,543	5,704	727	19,547
Other	11,023	6,653	7,009	1,150	25,835
	<u>191,175</u>	<u>102,436</u>	<u>126,419</u>	<u>16,681</u>	<u>436,711</u>

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

Of the total expenditure, £772,570 was unrestricted (2017 : £1,016,596) and £53,652 was restricted (2017: £245,101).

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2018

6 Net income for the year

This is stated after charging /(crediting):

	2018 £	2017 £
Depreciation	–	17,368
Interest receivable	(428)	(1,843)
Operating lease rentals:		
Property	44,014	37,175
Equipment	6,368	6,963
Auditor's remuneration (excluding VAT):		
Audit	8,250	10,200
Other services	800	800
	<u> </u>	<u> </u>

7 Staff and trustee remuneration and expenses

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	419,228	580,865
Redundancy and termination costs	5,942	18,970
Social security costs	44,536	59,421
Pension contributions	38,842	59,129
	<u>508,548</u>	<u>718,385</u>
Salaries and wages in relation to seconded staff	–	95,053
	<u>508,548</u>	<u>813,438</u>

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

	2018 No.	2017 No.
£70,000–£79,999	1	1
£100,000–£109,999	–	1
	<u> </u>	<u> </u>

Vicky Browning was paid £71,990 as Chief Executive with employer pension contributions of £8,206. Vicky Browning is a member of the ACEVO Board, ex officio.

The ratio of the highest paid member of staff to the lowest was 3:1.

No remuneration was paid to the Trustees during the year (2017: nil). 5 trustees (2017: 5) were reimbursed expenses £3,302 (2017: £4,655) in respect of travel and subsistence. The charity maintains a liability insurance policy that protects both the charity and its Trustees from losses arising from neglect or default by the Trustees, employees or other agents of the group. The amount paid for this was £1,375 (2017: £2,063)

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

The total employee benefits including pension contributions and social security costs of the key management personnel were £322,748 (2017:£314,911).

8 Staff numbers

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

	2018	2017	2018	2017
	Headcount	Headcount	FTE	FTE
Member Services	4.5	5.3	3.6	4.1
Training and development	1.8	1.7	1.2	1.6
Policy and representation	2.0	2.7	1.8	2.6
Supporting services	4.7	7.1	3.5	6.7
	13.0	16.8	10.1	15.0

9 Related party transactions

There were no donations from trustees in the year (2017: £nil) which were subject to any conditions or restrictions or significant in the context of our overall income. Paul Farmer is a trustee of Lloyds Bank Foundation which provided ACEVO with a grant of £30,000 in the year (2017: £nil). There were no amounts outstanding at the year-end.

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.

	2018	2017
	£	£
UK corporation tax at 19% (2017: 19%)	-	-

11 Tangible fixed assets

The charity and group

	Computers	Office	Total
	£	Equipment	£
		£	
Cost			
At the start of the year	57,996	23,165	81,161
Additions in year	-	-	-
Disposals in year	-	(7,164)	(7,164)
At the end of the year	57,996	16,001	73,997
Depreciation			
At the start of the year	57,996	23,165	81,161
Charge for the year	-	-	-
Eliminated on disposal	-	(7,164)	(7,164)
At the end of the year	57,996	16,001	73,997
Net book value			
At the end of the year	-	-	-
At the start of the year	-	-	-

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

Notes to the financial statements

For the year ended 31 March 2018

12 Investments – Charity

Investment in subsidiary undertaking at cost

At 1 April 2017 and at 31 March 2018

Total
£
1

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

ACEVO Solutions has a Board of Directors that meets regularly. At the Balance Sheet date the Board had two members who were also ACEVO trustees.

13 Subsidiary undertaking

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

	2018 £	2017 £
Turnover	166,264	211,459
Cost of sales	(38,629)	(11,542)
Gross profit	127,635	199,917
Administrative expenses	(8,306)	(193,733)
Profit before tax and distribution	119,329	6,184
Distribution to parent charity	(119,329)	(6,184)
Retained in subsidiary	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	254,027	83,805
Liabilities	(254,026)	(83,804)
Funds	1	1

14 Parent charity

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

	2018 £	2017 £
Gross income	887,615	911,883
Result for the year	61,908	(138,356)

Notes to the financial statements

For the year ended 31 March 2018

15 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	34,168	54,376	-	500
Prepayments	24,659	13,564	24,659	13,564
Accrued income	3,255	-	3,255	-
Other debtors	-	2,450	-	2,450
Amounts due from subsidiary undertaking	-	-	225,544	64,361
	62,083	70,390	253,458	80,875

16 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Membership fees received in advance	182,232	186,795	182,232	186,795
Other member income received in advance	7,050	1,699	7,050	1,699
Trade creditors	13,836	29,548	13,836	29,485
Accruals	61,817	45,139	61,817	40,139
Taxation and social security	28,482	29,471	-	29,471
Other creditors	6,866	-	6,866	-
Deferred sponsor income	54,750	14,380	54,750	-
	355,033	307,032	326,551	287,590

Membership fees received in advance comprises £165,909 for 2018/19, £11,547 for 2019/20 and £4,776 for 2020/21.

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.

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

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

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

	Restricted funds £	General unrestricted £	Designated funds £	Total funds £
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

19a Movements in funds (current year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Barrow Cadbury Trust	-	19,000	(19,000)	-	-
Lloyds Bank Foundation	-	30,000	(30,000)	-	-
Charity Futures	4,652	-	(4,652)	-	-
Total restricted funds	4,652	49,000	(53,652)	-	-
Unrestricted funds:					
General funds	151,784	839,130	(772,570)	-	218,344
Total unrestricted funds	151,784	839,130	(772,570)	-	218,344
Total funds	156,436	888,130	(826,222)	-	218,344

19b Movements in funds (prior year)

	At 31 March 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
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

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

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

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

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	61,908	(138,356)
Depreciation charges	–	17,368
Dividends, interest and rent from investments	(428)	(1,843)
Decrease in debtors	8,307	76,444
Increase/(decrease) in creditors	48,002	(94,381)
Net cash provided by / (used in) operating activities	117,789	(140,768)

21 Analysis of group cash and cash equivalents

Group	At 1 April 2017 £	Cash flows £	Other changes £	At 31 March 2018 £
Cash at bank and in hand	143,078	127,752	-	270,830
Deposits (less than 3 months)	250,000	(9,535)	-	240,465
Total cash and cash equivalents	393,078	118,217	-	511,295

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	
	2018 £	2017 £	2018 £	2017 £
Less than one year	25,180	15,613	3,208	6,347
Two to five years	47,180	-	-	3,173
Over five years	-	-	-	-
	72,360	15,613	3,208	9,520

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.