

# **acevo**

Charity Leaders Network

## **Association of Chief Executives of Voluntary Organisations**

### **Annual Report and Consolidated Financial Statements**

**31 March 2016**



Company number: 03514635  
Registered Charity number: 1114591

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2015/16 has been a tough year of transition in the life of ACEVO. A year that saw a general election, a change of government and significant debates on the future ended with our CEO of 15 years, Sir Stephen Bubb, stepping down to pursue a new project with the organisation.

Transition, then, but as is the ACEVO way we have in this time continued to lead the debate with gusto. We have led on key agendas in the run up to and aftermath of the 2015 General Election and throughout the sector more widely. Charity governance in the aftermath of the Kids Co collapse, anti-advocacy, fair reporting on charity expenditure and more have all been on the news agenda and ACEVO's representatives have been at the forefront of these issues. We have been across the airwaves on issues as diverse as closing harmful health care institutions and ensuring that our members are free to campaign. We have found ourselves on the front pages of broadsheet newspapers, in television studios and online. We have released research on loneliness among the young and the voluntary sector response to this growing problem (Coming in From the Cold, ACEVO, March 2016) and on a new concordat between sector and state when commissioning public services (Remaking the State, ACEVO, Nov 2015).

We are known for our strong media voice but this year we have had our most intense media year to date, with treble the coverage of the previous year, and a considerable high number of profile appearances on national radio and television - after the previous year had seen our performance double before that – reflecting increased interest, not always positive, in the sector and its ways of working. Credit must go to our fantastic team who work tirelessly to ensure that our organisation punches well above our weight, and that our members continue to be served thereby.

The need for ACEVO and what we offer is reflected in our results. Despite the effects of the loss of significant statutory funding funnelling through to our transition arrangements this year, our membership has remained broadly stable. These have been difficult times for the sector, and ACEVO has been challenged too, but our mission has never been more crucial.

Indeed, this is even more important in the wake of the EU referendum. Leaving the EU presents a significant risk to both our membership, and the sector at large. Going forward, we will be at the forefront of the debate, to both influence the nature of our withdrawal, and to provide support to members who may be directly exposed to the impact thereof.

Our network is unique. 2015/16 saw our programme of leadership development classes, local networking forums, and direct member support benefit our membership. Calls to our CEO in Crisis line continued, unfortunately, to proliferate, showing just how stark the challenges are across the sector. It has never been more difficult to be a social sector leader – and ACEVO is a point of constant contact, support and encouragement that seeks to help our members keep on making the decisions that help others.

That is why we are planning for our future. We engaged nationally with our members on a new three year strategy and the message we received was loud and clear: more engagement, more member services, more accountability and more innovation in what we do. At the same time we were also given the welcome steer by our members that they want us to keep on being robust in our media work - and be the voice on the sector's side. We have also developed partnerships across the sector and beyond, with other representative bodies, with business and with government, that deliver value for members and enable us to multiply our impact.

The future of our sector is in the quality of our leadership. This year, ACEVO has invested in senior leaders and introduced a new 'senior leaders circle' that will enable rising stars to get the support they need to move into the top job. Indeed, we are putting similar arrangements in place to be fit for the future for ourselves. Our three year strategy, 'Leading the Charge' makes real those key

commitments to engage ever more locally, democratically, innovatively and accountably, and this will be our task in 2016/17.

And we have a new leadership team in place. We have reshaped our senior management team, and injected new vigour into our back and front office operation. We have spotted what is working well within the organisation and sought to develop it. I am excited for the future ahead and for the new ideas that will help us bring our members together, offer them new, innovative services, and leverage our network's potential that much more effectively going forward. 2015/16 was a year of transition but I am confident that we will come to view it as a key year of investment and evolution, where a new and exciting identity for the UK's leading network for charity and social enterprise leaders began to be formed.

Paul Farmer, Chair

## Strategic report

### Our Membership

ACEVO is a network of our members, for our members.

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 allows us to offer each of our 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.

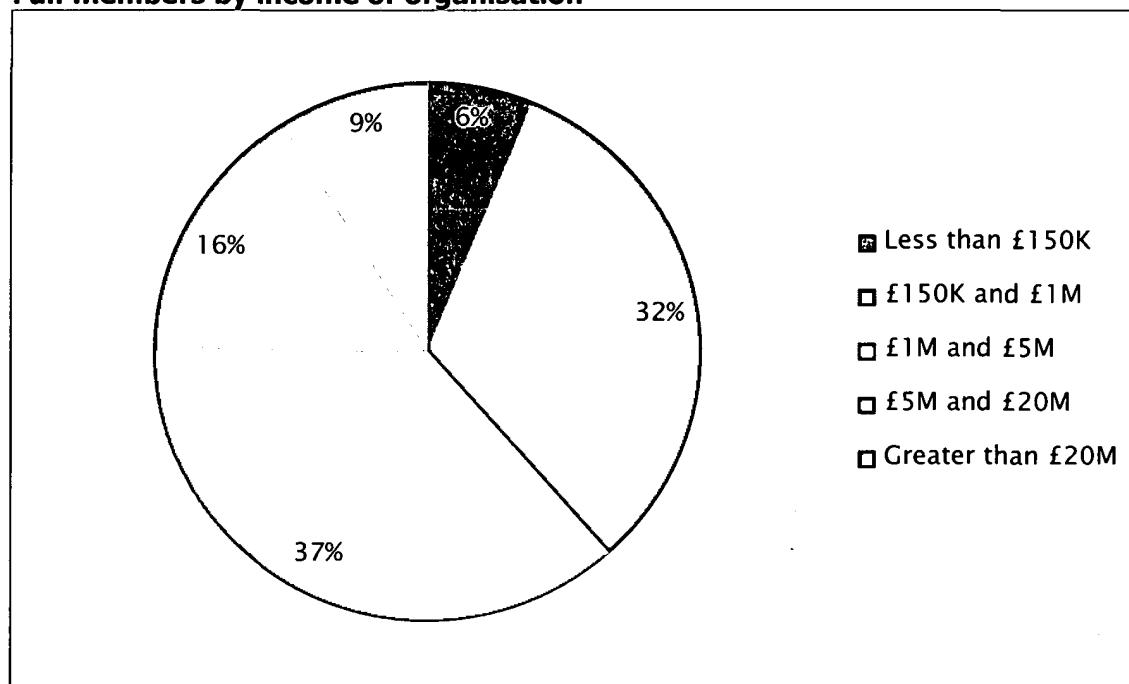
At 31 March, our membership showed a slight decrease, but overall remained broadly stable:

	<b>2016</b>	<b>2015</b>
Membership	1,398	1,373

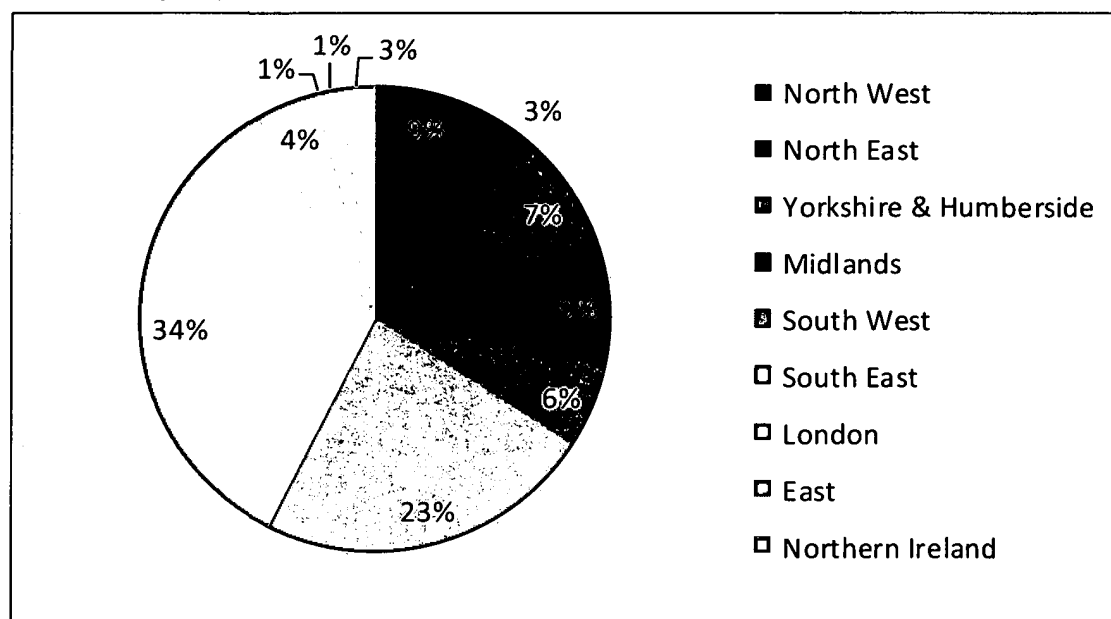
Membership is for individuals and charged on five bands based on turnover of the organisation. We have 5 categories of membership:

- Full Members are defined as the most senior staff member in the organisation, often with the title Chief Executive or CEO.
- Associate Membership is open to anyone with an interest in sector leadership (except for-profit organisations) including Chairs and Trustees.
- As part of our aim to support leaders of smaller bodies, Affiliate Membership is open to leaders of organisations with an annual turnover of £150,000 or less. In 2014/15 we extended Affiliate Membership to CEOs of federated organisations.
- 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.
- Commercial Members are for-profit organisations who are interested in connecting with charity and social enterprise leaders through membership.

**Full members by income of organisation**



**Members by region**



ACEVO membership has remained broadly stable over the last year. Our retention rate has also remained stable at 72% compared to 75% in 2014/15 and we have attracted an average of 29 new members per month compared to 27 per month in 2014/15.

Our members are central to everything we do.

## How We Support Our Members

### Supporting Social Leaders on their Leadership Journey

#### *Developing Leaders: Personal and Professional Development*

The **ACEVO leadership development** strand focuses on providing practical skills, 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. During 2015/16 our key offers included our monthly Leadership Masterclasses, the Emerging Leaders programme and the Accelerated Leadership programme. These are aimed at leaders at different stages of their personal development or who prefer different styles of learning.

We have continued our positive **partnership with the Leadership Trust**, an independent charitable trust with a strong reputation for leadership development. The partnership allows ACEVO members to access the Trust's suite of development programmes at 55% discount. 132 members have accessed a leadership development course through ACEVO or partner in 2015/16.

We also continue to offer **free Personal Development Planning** for members. As awareness of this service has grown, demand has steadily increased with 23 plans delivered in 2015/16. Demand for our Mentoring and Coaching services has also been high, with 40 mentor/mentee matches made and 5 coach/coachee relationships made. Our service extends to organising job swaps, site visits and shadowing opportunities.

In November 2015, we announced the **fourth cohort of ACEVO Fellows**. The ACEVO Fellowships aim to champion inspirational and emerging leaders from across the country; those who deserve greater recognition for their work and achievements locally, nationally and internationally; 30 nominations were received from the membership. Five Fellows were chosen. Each Fellow received up to £3,500 in leadership development support and was recognised with their award presentation at the ACEVO Annual Dinner. We gratefully acknowledge the financial support and time from The Leadership Trust with our annual Fellowship programme.

#### *Building Networks within the Network: Local Forums, Conferences and events*

One of the things members value most about ACEVO is the opportunity to **network with their peers** – often while hearing from high profile speakers through our events programme. During 2015/16, ACEVO provided 93 events, including local, grass-roots forums, round tables and conferences for members, giving 1,275 leaders the opportunity to network with their peers, share knowledge and keep up with best practice. 61% of our events were held outside of London.

Our flagship event, the **Annual Conference** in November 2015 was attended by over 300 delegates who heard from a series of notable speakers including William Shawcross, Chair of the Charity Commission; Anna Turley MP, Shadow Minister for Civil Society; David Babbs, CEO of 38 Degrees; Peter Kellner, President of YouGov and Polly Toynbee, Guardian columnist. Delegates were also able to attend a series of workshops on topics ranging from 'Using evidence to drive success' to 'The chair - CEO relationship – making it work'.

Our **Special Interest Groups (SIGs)** are an opportunity for CEOs from a specific sector or with a specific interest to share experiences, hear from relevant speakers, discuss pertinent policy issues and develop shared solutions. During 2015/16 ACEVO supported SIGs for *Arts, Heritage and Sport*; *Health and Social Care*; and *Women CEOs*.

Attendance at our **Local Leadership Forums** continued to grow during 2015/16. Forums were held monthly for members working in the North West, North East, Yorkshire and Humber, South West and London and the South East.

Other events throughout 2015/16 have included a regional Health and Social Care conference.

We continue to look for new ways to enthuse the membership. Our **Learning with Leaders** series of events in association with CCLA has continued to attract support. It sees Leadership luminaries from all walks of life spend time with ACEVO members. Speakers in 2015/16 have included Guardian journalist Zoe Williams, Dame Julia Cleverdon and Chair of the PACAC select committee The Hon Bernard Jenkin MP.

*Helping Leaders in times of trouble – and promoting good governance to prevent them getting there*

ACEVO's **CEO in Crisis service** has again been well used, which shows the importance of the service but also the rising difficulties within the sector. The service is a resource for members who feel their relationship with their chair or board has broken down or that their job is at risk. The service provides members with support from ACEVO experts and access to emotional and legal support where appropriate. During 2015/16, 32 members contacted ACEVO for support through the CEO in Crisis service. In addition to these, we continued to support members who had accessed the service in the previous year and whose cases were ongoing.

The majority of members who call us to access CEO in Crisis do so after a difficulty in the key relationship with their Chair. The root of this often originates from poor governance. We are continuing to respond to member governance queries through our Governance Helpline in order to help members avoid reaching crisis point as well as promoting good governance through our events programme and other channels.

ACEVO members can also access **free, time-limited support** from our partners who offer **telephone helplines for employment law, health and safety, pensions and employee benefits and legal support**.

ACEVO's **governance and leadership publication database** continues to be a great resource for members on subjects such as leadership, governance, finance and fundraising. During 2015/16, 381 publications were ordered by members and sector leaders. Our most popular titles include *'The Chief Executive's First 100 Days'*, *'Leading the CEO and Chair to Effective Governance'*, the annual *'Pay Survey'* report and *'Understanding your costs'*.



## Helping Members Develop Their Organisations

### ***Hands-on Support: ACEVO Solutions***

ACEVO Solutions provided **consultancy support for a range of organisations** with our in-house expertise including **capacity building, commissioning and procurement, bidding, governance and consortium development.**

ACEVO Solutions has provided: specialist Voluntary, Community and Social Enterprise (VCSE) engagement and advice for over £5m worth of contracts; over 300 hours of bid writing, reviewing and editing support; over 200 hours of support to get VCSE consortia off the ground and workshops and training for nearly 200 people.

We have supported four organisations with specific **social investment advice and business** development. We have continued to provide strategic commissioning and procurement advice to central government, the NHS and local authorities.

Last year's report described how the consultancy offer was to be refined and expanded. This was in light of a full review of the business model and value proposition. The transformation process, which took place in Q1 & Q2 took a great deal of time and opportunity cost investment from ACEVO, which has affected the total revenue and profit.

#### Transformation Highlights:

**We said** we would create a new VCSE bidding and solutions offer.

**We sold** large, directly paid for packages of support, to members at a discounted ACEVO member rate, which have supported members to win over £2m worth of business.

**We said** we would continue to support organisations in the third and public sectors to make greater use of social investment.

**We won** a total of £90k to support three organisations through the Big Potential fund.

**We said** we would further develop our consortia support service.

**We supported** several large consortia with a range of complex support, taking them beyond formation and laying foundations for future business and contracts, including winning significant employment support opportunities.

**We said** that we would support voluntary organisations to engage more effectively with commissioners and show commissioners how they can benefit from the best the sector has to offer, with a particular focus on services in wellbeing.

**We won** our first NHS England contract to deliver market development support in the learning disability sector, using our expertise and contacts to feed into national best practice.

**We said** that we would develop ACEVO Solutions as an obvious member benefit, to generate additional income for the trading arm, but also to make the membership offer more compelling for the charity.

**We have** moved from having no ACEVO members as clients to over a third of Solutions clients as ACEVO members. We market regularly to members and share tools, such as 'Understanding your costs' for free with the membership.

### Key performance metrics/highlights

The ACEVO Solutions transformation project was delivered to brief and we have already seen a number of positive results:

#### Highlights

- We have seen a 38% reduction in the average time of client acquisition and a 65% reduction in business development cost per client. This is in comparison to data held at the end of Q2 2015/16. Most clients either were or have since become ACEVO members, where there was previously no-cross referral.
- As a result of new client management and relationship development processes, repeat business now represents a third of our order-book, with even more in the pipeline.
- We introduced new Business Booster emails which get consistently high open rates (average 25%) and higher click-through. We are gathering referral routes into our services and there is evidence that updated marketing completed in Q2 had a significant impact in Q4.

#### 2016/17 and beyond

Our plan is to build on the momentum. ACEVO has made an important investment in the consultancy capability and we have planned a 10% increase in revenue for 2016/17 compared to actual performance this year. Sunk cost in marketing systems, product development and business infrastructure will not have to be repeated in 2016/17, which ensures that maximum time is available for clients.

We recognise that the ambition for ACEVO Solutions is to grow the margin to support the charity in absolute terms, beyond making a contribution to the overheads. That is why we have included a small margin for 2017/18 and an increase on this for 2018/19.

### An Inspiring Collective Campaigning Voice

ACEVO's campaigning, influencing and policy research continued to flourish. Despite the difficult operating environment – indeed in some ways because of it - **it was actually the case that on many metrics, 2015/16 was ACEVO's most important media year to date.**

Since the General Election 2015, the collective voice of charity leaders has been crucial to the national debate. ACEVO has spent the last year drawing attention to the issues that matter across a spectrum as broad and diverse as the ACEVO membership itself.

Our three year strategy pledges to position ACEVO as a leading media voice for the sector and we have not been shy of meeting that commitment. ACEVO has been commenting, prompting, and campaigning across trade, national, and international mass media; we have had more than 2,200 media hits in the last 12 months, reaching an audience which numbers in the tens of millions. Nowhere has our ability to reach into the heart of national debates been showcased better than in October 2015, when Chief Executive Sir Stephen Bubb appeared on the Today programme, to discuss social care reform, to be followed by then Director of Public Policy Asheem Singh the next day, discussing charity governance and making the case for better understanding of the work of ACEVO members, their boards and staff.

**ACEVO's social media presence has grown steadily.** Across 2015/16, we reached over a million twitter timelines. Each tweet we send now reaches consistently more people than it would have done a year ago and this means that we can provide more of a voice for our members' own work.

#### Party Conferences 2015

2015 also marked ACEVO's **largest ever Party Conference programme**. With seven events, across three conferences, we were one of the highlights of the third sector's party conference schedule and ensured that ACEVO members concerns' were taken to the heard of the political debate.

From discussing the purported silencing of charities in a standing-room-only debate at Labour, to a discussion of the challenges facing Muslim charities – held at the Conservative Conference, despite their attempts to no-platform us only days earlier – we covered the breadth of issues affecting the sector.

#### Remaking the State: Pro-Third Sector Public Service Reform

Our flagship commission on public service reform, chaired by Rob Owen, CEO of the St Giles Trust, and author and journalist Will Hutton, launched its report in November 2015. This called for a radical rethinking of the way in which our public services are delivered, so that they work for the benefit of the people.

This report was launched at our Annual Conference, and endorsed at launch by the Shadow Minister for Civil Society, Anna Turley MP. In her first speech to the sector, she called on government to heed our advice, and refocus public services on prevention, rather than crisis management.

*"These challenges facing the sector show exactly why the ACEVO report published today entitled Remaking the State, A Call to Action, is so timely and important."*

Anna Turley (2015)

#### Time for Change Campaign – Transforming Services for people with learning disabilities

Having chaired the Transforming Care and Commissioning Group in 2014, Sir Stephen Bubb led an independent review of the Transforming Care programme throughout 2015/16. This evaluated the progress of NHS England, the Department of Health, and their partners in transforming services for people with learning disabilities after a failed government promise to support everybody inappropriately living in hospital back into the community.

We have published two reports to much public acclaim. This has not just been a campaign of words. As a result of this work NHS England has agreed a closure programme which will see far fewer individuals being housed in inappropriate settings. This is real change which has been achieved by working alongside our members who are experts in health and social care.

*"...We have to do what Stephen's report rightly put the spotlight on: the fundamental redesign of care for new cohorts of people going forward. That must be a permanent shift away from the residue of institutional care models that we have."*

Simon Stevens to the Public Accounts Committee (February 2015)

### Coming in from the Cold – Youth Loneliness in London

Over Easter 2016 we launched *Coming in from the Cold*, our report on youth loneliness in London. This ground breaking report focussed on bespoke research carried out for us by member organisation Get Connected (now known as The Mix).

This report received significant attention including a launch event featuring representations from the campaigns for Mayor of London. The report was also featured on BBC London TV and radio, as well as London Live local television and in the Guardian and the Times.

*"A Deputy Mayor for Young People? Yes!"*

Shaun Bailey, Conservative Member of the London Assembly (2016)

### Defending the Sector

It has been a challenging year for the sector as it faces continuing questions about governance, fundraising and campaigning to name a few. In line with our commitment to be a leading voice ACEVO has faced these debates head on.

Fundraising in the wake of the Olive Cooke affair, the collapse of Kids Company and the questions this raised around governance, the Charities Bill which conferred new powers on the Charity Commission, the Cage/Rowntree affair in which the regulator attempted to dictate where Foundations could send money, the role of the Charity Commission, Ministerial interventions, countless inquiries, the re-emergence of the Freedom of Information issue - ACEVO has made its voice heard in all of these debates.

An important aspect of this has been our collaborative project with the NCVO – designed to present a united front in defence of the sector - which successfully sought to protect the Big Lottery Fund.

Our collaboration with other sector bodies was also central to our efforts to counter the anti-advocacy clause, announced by the Cabinet Office in January 2016. We were at the forefront of the campaign against this clause. We sent a joint letter to the Prime Minister which was co-signed by 130 third sector leaders. The Government has since stated that it is 'pausing' the implementation of the clause in government grants, and we will continue to call for proper and robust consultation with our sector.

### Press

It has been a unique year for the sector which has faced a tsunami of scrutiny.

ACEVO has not been afraid to speak truth to power and raise often uncomfortable concerns about the consequences of the many pressures which have been brought to bear on the sector. We have aired these concerns on every national TV channel and across the national radio outlets as well as trebling ACEVO's presence in the national, regional and specialist press.

Overall ACEVO has had more than 2,200 media hits this year reaching an audience and readership numbering tens of millions and with a value, according to independent measure, of more than £3 million. Our three year strategy pledges to position ACEVO as a leading media voice for the sector

and we have not been shy of meeting that commitment, and neither will we be going forward.

## **Internal Management and Reporting**

ACEVO budgeted to invest reserves in transforming the organisation following the conclusion of the final major government grant which the organisation had hitherto received from the Department of Health - this contributed £200,000 in 2014/15. Despite this budgeting, ACEVO generated a deficit of £190,800 in 2015/16.

The organisation has sufficient reserves to continue supporting ACEVO's development through what will remain a difficult climate, however we are clear that there will not be another deficit budget going forward. To continue supporting members, the Board recognises the need for ACEVO to at least break-even in 2016/17 therefore in late 2015 ACEVO took action in the form of a staff restructure and lowering overhead by decreasing the cost of the office space.

The Trustees are focused on the future strategic and financial planning for ACEVO, and have reviewed two year financial forecasts in order to ensure that the correct decisions for the organisation and our members are being made.

ACEVO Solutions Limited (see note 13).

During the year, ACEVO Solutions turnover was £276,645. This reflects a decrease, which is largely due to a decrease in sponsorship-based activity, and partly due to a refocussing of trading activities as highlighted above.

ACEVO Solutions is led by a Board chaired by Tom Flood CBE. ACEVO Solutions' taxable profit is donated in gift aid to ACEVO.

## **Principal Risk and Uncertainties and 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 are detailed below.

Financial strategy – The key risks would be if the financial strategy fails to deliver the required income to maintain reserves. The risk is managed through the recent review to reduce core costs, continual developments to diversify income streams and increased focus on developing opportunities to drive growth of activity. We have instituted two year rolling forecasts to support future financial planning and early signals for any critical points in the future. We will continue to review these protocols.

Managing the transition of senior staff – This risk has changed from loss of senior staffing given the changes with Sir Stephen Bubb deciding to lead the Charity Futures work, therefore the risk is managing the transition and continuing to deliver on the strategic objectives. A transition plan was created and is being implemented.

Delivery of strategic objectives – The key risk would be if our capacity to deliver on strategic objectives and meet member needs was weakened. The risk is managed through reviewing the

strategic plan and clarifying the priorities and assessment of competencies and resources, alongside staff planning and training, to ensure the organisation is fit for purpose.

Brand and reputation – ACEVO is seen as a leading voice of charity and social enterprise leaders, a trusted voice on leadership, governance and standards and a key part of the national infrastructure. There is a robust public policy, press and communications practice in place to protect the brand and clear priorities are understood and are communicated at all levels within ACEVO.

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.

## Financial Review

Details of the ACEVO Group income and expenditure for the year are set out on page 21. Income for the year was £1,289,132 (2015: £1,775,269) and costs were £1,479,933 (2015: £1,821,332). The deficit in 2016 was £190,801 (2015: £46,063).

The application of funds in support of ACEVO's charitable activities is disclosed in note 5.

At 31 March 2016 total group fund balances decreased to £294,792 (2015: £485,493), of which £17,368 (2015: £51,836) was represented by the designated tangible fixed asset fund. Restricted funds at 31 March 2016 were nil (2015: nil).

The trading subsidiary, ACEVO Solutions Limited, made a surplus of £38,152 (2014: £298,097) during the year (see note 13). This will be paid to ACEVO under Gift Aid.

## Reserves Policy

In defining its reserves policy, ACEVO has considered what level of free reserves it is appropriate for the charity to hold in order to demonstrate appropriate financial management and financial sustainability. For ACEVO, free reserves represent unrestricted general funds of the charity and exclude both any restricted funds held and funds that have been designated by the Trustees.

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

- Working capital
- Financial risk management
- Future strategic development

The Trustees review the reserves level on an annual basis, along with the risk assessment of key areas of income, as this provides the information on an adequate level of reserves to be maintained. ACEVO's free reserves are the unrestricted reserves less the value of the fixed assets.

Based on a review of future strategic plans, along with a risk assessment of key areas of income and expenditure, the Board considers a minimum reserves level of £240,000 and a maximum reserves level of £587,000 to be appropriate. At 31 March 2016, the group's level of free reserves was £277,424, which is in line with this policy. This will be monitored and reviewed, but is considered prudent in light of the uncertainty around the future of some income streams.

## Going Concern

In addition to the reserves policy, the Board have also performed a detailed review of going concern during the year. The Board reviews an on-going rolling forecast for at least 12 months, which provides the Board with sufficient ability to make appropriate financial decisions. The Board are satisfied that, given reserves are within planned levels and the financial risks are actively reviewed through these forecasts, that it is appropriate that the financial statements are prepared on a going concern basis.

## 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 to both 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.

## Remuneration Policy

ACEVO has a remuneration policy which sets out how all staff remuneration is determined. The remuneration committee review the reward policy and agree all increases in pay and benefits for Directors and the overall cost of living increase.

Salary levels are set based on an assessment of job descriptions and person specifications following a benchmarking process that assesses pay norms associated with that type of post in the sector. In line with the recommendations made in ACEVO's 'Good Pay Guide' (2013) these salary levels are set by a remuneration committee appointed by the board.

Additional information about trustees who served in the year; structure, governance and management; policy review and reference and administrative details can be found on pages 17-18.

## Report of the Board of Trustees

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 2016. The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 26 and comply with the charitable company's Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in March 2005.

The reference and administrative details set out on pages 17-18 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### Purposes and aims

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.

### Ensuring that our work delivers our aims, for our beneficiaries

All of the work we have outlined above is stress-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.

Our members consistently report that their top concerns are:

- the funding environment for third sector organisations;
- governance and the relationship between chief executives and their chairs; and
- strategic management of their organisations.

The Trustees review the aims, objectives and activities of the charity each year.

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.

During 2015 ACEVO consulted members nationwide and adopted a new strategy "Leading the Charge" which sought to further align the needs of members with the work being undertaken by ACEVO, but clarified the areas of focus for the future. Our pledges to members therein are:

- Supporting your leadership journey
- Helping you place excellence at the heart of your organisation
- Real, local support, by your side in your area
- One on one help for when you're in need
- A leading national voice that works for you
- Giving you the tools to boost your business
- Representing, lobbying and campaigning for your interests
- Modern, responsive services for our members

ACEVO's board is composed mainly of our beneficiaries and elected by our beneficiaries: the ACEVO membership.

### Statement of responsibilities of the trustees

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.

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

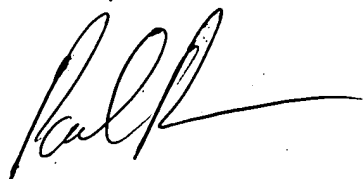
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

#### **Auditors**

Sayer Vincent LLP were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report, which includes the strategic report, has been approved by the trustees on 26 September 2016 and signed on their behalf by



Paul Farmer  
Chair



Jill Halford  
Treasurer

## Association of Chief Executives of Voluntary Organisations

### Reference and Administrative Details

**For the year ended 31 March 2016**

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<b>Status</b>	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.	
<b>Governing document</b>	ACEVO is governed by its Articles of Association, as adopted on 17 January 2013.	
<b>Company number</b>	03514635	
<b>Charity number</b>	1114591	
<b>Registered office and operational address</b>	Regent's Wharf 8 All Saints Street London N1 9RL	
<b>Honorary officers</b>	Paul Farmer Sharon Allen Jill Halford	Chair Vice Chair Treasurer
<b>Chief Executive During the Reporting Period:</b>	Sir Stephen Bubb	
<b>Interim Chief Executive as of the time of writing:</b>	Asheem Singh	
<b>Company Secretary during the reporting period:</b>	Jessica Spearman	
<b>Banker</b>	National Westminster Bank plc 332 High Holborn London WC1V 7PS	
<b>Solicitor</b>	Russell-Cooke LLP 2 Putney Hill Putney London SW15 6AB	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL	

## Association of Chief Executives of Voluntary Organisations

### Reference and Administrative Details

#### **For the year ended 31 March 2016**

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**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paul Farmer	Chair	
Sharon Allen	Vice Chair	
Jill Halford	Treasurer	
Sir Stephen Bubb	Ex-Officio	Until 1 June 2016
Joe Irvin		
Kulbinder Kang		
Rachel Kelly		
Jehangir Malik OBE		
Kate MacDonald		
Natasha Singarayer		Appointed 28 October 2015
Jon Sparkes		
Sarah Talbot-Williams		
Katherine (Kate) Welch		

Alastair McCapra served as a co-opted member of Finance and Audit Committee.

Company Secretary Jessica Spearman (Resigned 27 May 2016)

#### Key management personnel

Sir Stephen Bubb	Chief Executive, until 1 June 2016
Jessica Spearman	Director of Finance, until 27 May 2016
Jenny Berry	Director of Leadership Development and ACEVO North
Jennifer Finn	Director of Member Services, until 1 February 2016
Mark Winter	Director of Solutions
Asheem Singh	Interim Chief Executive, from 1 June 2016; previously Director of Public
Policy and Press	

We have audited the financial statements of the Association of Chief Executives of Voluntary Organisations for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the 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.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016, 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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

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

Judith Miller (Senior statutory auditor)

28 September 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditors 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 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
<b>Income from:</b>							
Donations and legacies	2	155,000	-	155,000	151,000	-	151,000
Charitable activities							
Membership: Member Services		504,945	-	504,945	507,788	-	507,788
Supporting	3	144,483	-	144,483	165,251	-	165,251
Representing and voice	3	19,826	165,250	185,076	3,500	205,701	209,201
Other trading activities	4	296,895	-	296,895	739,174	-	739,174
Investments		2,733	-	2,733	2,855	-	2,855
<b>Total income</b>		<b>1,123,882</b>	<b>165,250</b>	<b>1,289,132</b>	<b>1,569,568</b>	<b>205,701</b>	<b>1,775,269</b>
<b>Expenditure on:</b>							
Raising funds	5	314,175	-	314,175	543,460	-	543,460
Charitable activities							
Membership: Member Services	5	317,507	-	317,507	415,043	-	415,043
Supporting	5	417,216	-	417,216	464,827	-	464,827
Representing: Policy and Advocacy	5	265,784	165,250	431,034	192,301	205,701	398,002
<b>Total expenditure</b>		<b>1,314,683</b>	<b>165,250</b>	<b>1,479,933</b>	<b>1,615,631</b>	<b>205,701</b>	<b>1,821,332</b>
<b>Net movement in funds</b>	6	<b>(190,801)</b>	<b>-</b>	<b>(190,801)</b>	<b>(46,063)</b>	<b>-</b>	<b>(46,063)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		485,593	-	485,593	531,656	-	531,656
<b>Total funds carried forward</b>		<b>294,792</b>	<b>-</b>	<b>294,792</b>	<b>485,593</b>	<b>-</b>	<b>485,593</b>

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

# Association of Chief Executives of Voluntary Organisations

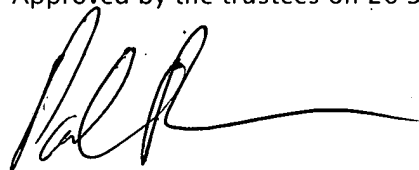
## Balance sheets

Company no. 03514635

As at 31 March 2016

	Note	The group		The charity	
		2016	2015	2016	2015
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	11	17,368	51,836	17,368	51,836
Investment in subsidiary undertaking	12	-	-	1	1
		<u>17,368</u>	<u>51,836</u>	<u>17,369</u>	<u>51,837</u>
<b>Current assets:</b>					
Debtors	15	146,834	283,021	142,241	392,828
Short term deposits		419,972	419,021	419,972	419,021
Cash at bank and in hand		112,031	263,986	79,343	99,608
		<u>678,837</u>	<u>966,028</u>	<u>641,555</u>	<u>911,457</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	401,413	532,271	364,132	477,701
		<u>277,424</u>	<u>433,757</u>	<u>277,423</u>	<u>433,756</u>
<b>Net current assets</b>		<u>277,424</u>	<u>433,757</u>	<u>277,423</u>	<u>433,756</u>
<b>Total net assets</b>		<u>294,792</u>	<u>485,593</u>	<u>294,792</u>	<u>485,593</u>
<b>Funds:</b>	19				
Restricted income funds		-	-	-	-
Unrestricted income funds:					
Designated – Fixed Assets Fund		17,368	51,836	17,368	51,836
General Funds		277,424	433,757	277,424	433,757
Total unrestricted funds		<u>294,792</u>	<u>485,593</u>	<u>294,792</u>	<u>485,593</u>
<b>Total funds</b>		<u>294,792</u>	<u>485,593</u>	<u>294,792</u>	<u>485,593</u>

Approved by the trustees on 26 September 2016 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 2016

	Note	2016 £	£	2015 £	£
Cash flows from operating activities	20				
Net cash used in operating activities		(153,737)		(177,888)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		2,733		2,855	
Repayment of Programme Related Investment		<u>-</u>		<u>8,649</u>	
Net cash used in investing activities		2,733		11,504	
Change in cash and cash equivalents in the year		(151,004)		(166,384)	
Cash and cash equivalents at the beginning of the year		<u>683,007</u>		<u>849,391</u>	
Cash and cash equivalents at the end of the year	21	<u><u>532,003</u></u>		<u><u>683,007</u></u>	

**1 Accounting policies**

**a) 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) 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.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014 and no adjustments were required on transition.

**c) Public benefit entity**

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

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

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
- 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.

**1 Accounting policies (continued)**

**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. Cash balances exclude any funds held on behalf of service users.

**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.

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

For the year ended 31 March 2016

### 2 Income from donations and legacies

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Voluntary income	25,000	–	25,000	–
Donated services and facilities (including £18,300 in relation to a secondment from the Home Office)	130,000	–	130,000	151,000
	<u>155,000</u>	<u>–</u>	<u>155,000</u>	<u>151,000</u>

The donated services and facilities relate to hosted events, marketing activities and a secondee

### 3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
<b>Supporting</b>				
Conferences and Events	69,783	–	69,783	103,836
Professional Development	62,028	–	62,028	36,967
Publications and Marketing	12,672	–	12,672	24,448
<b>Total</b>	<u>144,483</u>	<u>–</u>	<u>144,483</u>	<u>165,251</u>
<b>Policy and advocacy</b>				
Department of Health	–	–	–	199,451
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	–
Other projects	19,826	–	19,826	9,750
<b>Total</b>	<u>19,826</u>	<u>165,250</u>	<u>185,076</u>	<u>209,201</u>

### 4 Income from other trading activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Sponsorship Income (including £20,000 from NHS England)	107,382	–	107,382	253,420
Commissions received from affinity scheme	25,715	–	25,715	57,072
Trading income from business activities	124,048	–	124,048	368,682
Service charge income from Euclid Network	39,750	–	39,750	60,000
	<u>296,895</u>	<u>–</u>	<u>296,895</u>	<u>739,174</u>

Association of Chief Executives of Voluntary Organisations

Notes to the financial statements

For the year ended 31 March 2016

5 Analysis of expenditure

	Charitable activities							2016 Total £	2015 Total £
	Raising funds £	Membership: Member services and support £	Leadership Conferences £	Professional development £	Publications & marketing £	Representing and voice £	Governance costs £		
Staff costs (Note 7)	172,610	144,484	52,457	60,970	15,268	269,111	30,034	117,073	932,841
Other staff costs	3,858	1,685	612	711	178	3,678	-	1,365	34,854
Office expenses	43,940	32,201	11,898	13,598	3,400	73,432	-	26,074	216,120
Staff expenses	12,617	3,491	2,946	1,330	302	6,661	-	2,314	39,899
Board expenses	-	-	-	-	-	-	4,697	-	4,395
Legal and accounting	298	249	90	105	26	464	15,484	342	23,237
Depreciation	7,151	5,986	2,173	2,526	633	11,149	-	4,850	36,364
Delivery costs	8,139	74,532	71,299	74,195	53,617	33,623	-	7	533,622
	248,613	262,628	141,475	153,435	73,424	398,118	50,215	152,025	1,821,332
Support costs	49,283	41,253	14,978	17,408	4,359	24,743	-	(152,025)	-
Governance costs	16,279	13,626	4,947	5,750	1,440	8,173	(50,215)	-	-
<b>Total expenditure 2016</b>	<b>314,175</b>	<b>317,507</b>	<b>161,400</b>	<b>176,593</b>	<b>79,223</b>	<b>431,034</b>	<b>-</b>	<b>1,479,933</b>	<b>1,821,332</b>
<b>Total expenditure 2015</b>	<b>543,460</b>	<b>415,043</b>	<b>173,814</b>	<b>168,780</b>	<b>122,233</b>	<b>398,002</b>	<b>-</b>	<b>-</b>	<b>1,821,332</b>

Of the total expenditure, £1,314,683 was unrestricted (2015: £1,615,631) and £165,250 was restricted (2015: £205,701).

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

For the year ended 31 March 2016

### 6 Net incoming resources for the year

This is stated after charging / crediting:

	2016 £	2015 £
Depreciation	34,468	36,364
Interest receivable	(2,733)	(2,855)
Operating lease rentals:		
Property	83,283	97,461
Equipment	7,417	11,612
Auditors' remuneration (excluding VAT):		
Audit	11,500	15,325
Other services	600	1,600

### 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 (2015: nil) except as noted below. Seven Trustees (2015: five) were reimbursed £3,844 (2015: £3,213) of expenses in respect of travel and subsistence expenses. A Director of ACEVO Solutions was paid a stipend of £3,000. This will be reviewed in 2016/17.

Sir Stephen Bubb as Chief Executive held an ex-officio position on the Board of Trustees (he stepped down as CEO on 1/6/2016). His remuneration package, as Chief Executive, during the year was £107,700 (2015: £107,700). In addition ACEVO made pension contributions on the Chief Executive's behalf of £11,844 (2015: £12,233), these were made on standard terms for ACEVO employees (see note 1q). The ratio of the highest paid member of staff to the lowest was 5:1. ACEVO is an accredited Living Wage employer.

Members of the Board have no beneficial interest in the charity, or the trading subsidiary, ACEVO Solutions Limited.

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	693,637	748,535
Redundancy and termination costs	18,350	-
Social security costs	75,090	78,209
Pension contributions	74,330	78,357
Casual and temporary staff	600	27,740
	<b>862,007</b>	<b>932,841</b>

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

	2016 No.	2015 No.
£100,000-£109,999	1	1

The total employee benefits including pension contributions of the key management personnel were £346,318 (2015: £373,094).

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) and full time equivalent staff (FTE) during the year was as follows:

	2016 FTE	2015 FTE	2016 No.	2015 No.
Direct Services	12.6	12.5	13.8	13.3
Support Services	3.0	3.0	3.6	3.5
Raising funds	3.4	4.6	3.6	4.8
Governance	0.3	0.3	0.4	0.4
	<b>19.3</b>	<b>20.4</b>	<b>21.4</b>	<b>22.0</b>

Following a restructure the number of staff at 31 March 2016 was 17.

**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 (2015: £2,063)

ACEVO has a related party relationship with Euclid Network. Sir Stephen Bubb was a member of the Euclid Network Board until 11 December 2015. There is no control of, or beneficial financial interest in Euclid Network. ACEVO received income from Euclid Network, which totalled £39,750 (2015: £60,000). These costs cover both charge for office space and finance support. In addition, ACEVO made a programme related investment in Euclid Network in 2010. The balance was fully paid off by the end of 2015 (in 2014 the remaining balance was £8,649). This investment was made in the form of an unsecured loan to Euclid Network.

Sir Stephen Bubb was also Chair of Social Investment Business (SIB) until 31 March 2016 and ACEVO receives payment from SIB for secretarial and administrative support provided which totalled £2,042 (2015: £3,500) for the year.

ACEVO was also one of the SIB delivery partners for the Investment Contract Readiness Fund and Big Potential. ACEVO partnered with four (2015: five) organisations through ACEVO Solutions to support their bids through this fund generating £52,471 income in 2015/16 (2014/15: £207,568). One of the organisations that ACEVO partnered with was the Lesbian and Gay Foundation, whose CEO Paul Martin was a Trustee of ACEVO until 22 January 2015. This was declared in the Board meetings and neither Paul nor Stephen were part of any decision-making where this would have been an issue.



Notes to the financial statements

For the year ended 31 March 2016

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.

	2016 £	2015 £
UK corporation tax at 20% (2015: 20%)	-	-

11 Tangible fixed assets

The charity and group

	Computers £	Office Equipment £	Leasehold Improvements £	Total £
<b>Cost</b>				
At the start of the year	64,943	23,165	32,191	120,299
Disposals in year	(6,947)	-	(32,191)	(39,138)
At the end of the year	57,996	23,165	-	81,161
<b>Depreciation</b>				
At the start of the year	28,436	19,907	20,120	68,463
Charge for the year	19,139	3,258	12,071	34,468
Eliminated on disposal	(6,947)	-	(32,191)	(39,138)
At the end of the year	40,628	23,165	-	63,793
<b>Net book value</b>				
At the end of the year	17,368	-	-	17,368
At the start of the year	36,507	3,258	12,071	51,836

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

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

### For the year ended 31 March 2016

#### 12 Investments – Charity

Investment in subsidiary undertaking at cost

	Total £
At 1 April 2015 and at 31 March 2016	<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 four times per year. The Board currently has six members, including two ACEVO Trustees and two ACEVO members of staff.

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:

	2016 £	2015 £
Turnover	276,645	678,921
Cost of sales	(40,658)	(174,001)
Gross profit	<u>235,987</u>	<u>504,920</u>
Administrative expenses	(197,835)	(206,823)
Gift Aid payable to ACEVO	(38,152)	(298,097)
Profit / (loss) for the financial year	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	119,917	392,380
Liabilities	<u>(119,916)</u>	<u>(392,379)</u>
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:

	2016 £	2015 £
Gross income	1,050,639	1,394,445
Result for the year	<u>(228,953)</u>	<u>(344,160)</u>

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

For the year ended 31 March 2016

### 15 Debtors

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	102,843	232,655	24,015	8,819
Prepayments	18,228	36,805	18,228	36,805
Accrued income	21,608	4,167	13,208	-
Other debtors	4,155	9,394	4,155	9,394
Amounts due from subsidiary undertaking	-	-	82,635	337,810
	<u>146,834</u>	<u>283,021</u>	<u>142,241</u>	<u>392,828</u>

### 16 Creditors: amounts falling due within one year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Membership fees received in advance	228,618	223,127	228,618	223,126
Other income received in advance	8,481	2,050	8,481	2,050
Trade creditors	41,100	59,218	40,157	57,106
Accruals	40,923	82,448	40,923	67,444
Taxation and social security	45,953	54,384	45,953	54,384
Deferred income	36,338	111,044	-	73,591
	<u>401,413</u>	<u>532,271</u>	<u>364,132</u>	<u>477,701</u>

### 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

	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	<u>277,424</u>	<u>17,368</u>	<u>294,792</u>

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

For the year ended 31 March 2016

### 19 Movements in funds

	At the start of the year	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year
	£	£	£	£	£
<b>Restricted funds:</b>					
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)	-	-
<b>Total restricted funds</b>	-	165,250	(165,250)	-	-
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed Assets Fund	51,836	-	-	(34,468)	17,368
<b>Total designated funds</b>	51,836	-	-	(34,468)	17,368
<b>General funds</b>	433,757	1,123,882	(1,314,683)	34,468	277,424
<b>Total unrestricted funds</b>	485,593	1,123,882	(1,314,683)	-	294,792
<b>Purposes of restricted funds</b>					

Transforming care is a grant for the work post Winerbourne 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 work.

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.

# Association of Chief Executives of Voluntary Organisations

## Notes to the financial statements

For the year ended 31 March 2016

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

	2016 £	2015 £
Net expenditure for the reporting period (as per the statement of financial activities)	(190,801)	(46,063)
Depreciation charges	34,468	36,364
Dividends, interest and rent from investments	(2,733)	(2,855)
Decrease/(increase) in debtors	136,187	(114,798)
Decrease in creditors	(130,858)	(50,536)
Net cash used in operating activities	(153,737)	(177,888)

### 21 Analysis of group cash and cash equivalents

Group	At 1 April 2015 £	Cash flows £	Other changes £	At 31 March 2016 £
Cash in hand	263,986	(151,956)	–	112,030
Notice deposits (less than 3 months)	419,021	952	–	419,973
Total cash and cash equivalents	683,007	(151,004)	–	532,003

### 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	
	2016 £	2015 £	2016 £	2015 £
Less than one year	36,772	98,460	6,347	6,347
Two to five years	12,257	131,280	3,702	10,049
	49,029	229,740	10,049	16,396

### 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.