

Trustees' annual report and financial statements for the year ended 31 March 2023

Association of Chief Executives of Voluntary
Organisations

Company number: 03514635

Registered charity number: 1114591

acevo
imagine, inspire, improve

Trustees' report

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The board of trustees of the Association of Chief Executives of Voluntary Organisations (ACEVO) presents its report with the consolidated financial statements for the year ended 31 March 2023, 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 in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the charitable company's Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Chair and CEO's welcome

This was a year of change for ACEVO and the first year of delivering our new three year strategy, 'imagine, inspire, improve', designed to deliver maximum benefit for our members and through them our sector more widely.

However we could not have foreseen quite the level of disruption our members would experience both financially and politically within the financial year. In the autumn we saw three changes of prime minister in under two months, and then the cost of living crisis that had already started to emerge the previous spring really began to hit hard.

It was clear that ACEVO had a role to play in championing the voice of our members to government, and to support our sectors' leaders as they navigated not only the enormous operational challenges of this time but also a growing risk of personal burnout as they contended with what felt like a continuing wave upon wave of crisis so hot on the heels of the pandemic.

We saw record levels of requests for one to one support, and we made sure that our members knew we were there to provide opportunities for them to network, to connect and to share in a safe space the difficulties they were feeling.

It is credit to our small team that in the midst of so much unplanned activity we continued to deliver a packed calendar of events, leadership development activities, chances to network and connect with peers, mentoring and coaching opportunities, webinars, seminars and of course our flagship #ACEVOFest, delivered over three days in March.

Financially we continue to be in a strong position – having planned for a deficit budget in 2022/23 we have achieved a surplus of £60,703 of which £8,571 is unrestricted.

During the year, we undertook a review of long term strategic and financial planning that identified the need for increased capacity to meet members' needs. We are going into the 2023/24 financial year with a clearly defined plan for investing our surplus reserves into necessary resource and thus directly into member services in the short term while providing robust modelling to support our income generation targets and maintain reserves at the appropriate level over the next three to four years.

Early in the financial year we bade farewell to Vicky Browning, who had led the transformation of ACEVO's fortunes over the previous five years. We have continued throughout the year to reap the benefit of a strong, mature and agile board practising intelligent governance, and a staff team that is committed and fully driven by our values of being member led, connected, ambitious, inclusive and honest. Our thanks to all, and above all to our members, for the contribution to ACEVO's continued success.

Rosie Ferguson

Chair

Jane Ide

Chief Executive

Vision, purpose and public benefit

ACEVO is the Association of Chief Executives of Voluntary Organisations. We're a network of over 1,700 CEOs and aspiring CEOs who head up everything from small, community-based groups to ambitious medium-sized organisations to well known, well-loved national and international not-for-profits.

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

ACEVO's vision is for civil society leaders to make the biggest possible difference. Together with our network we inspire and support civil society leaders by providing connection, skills and influence.

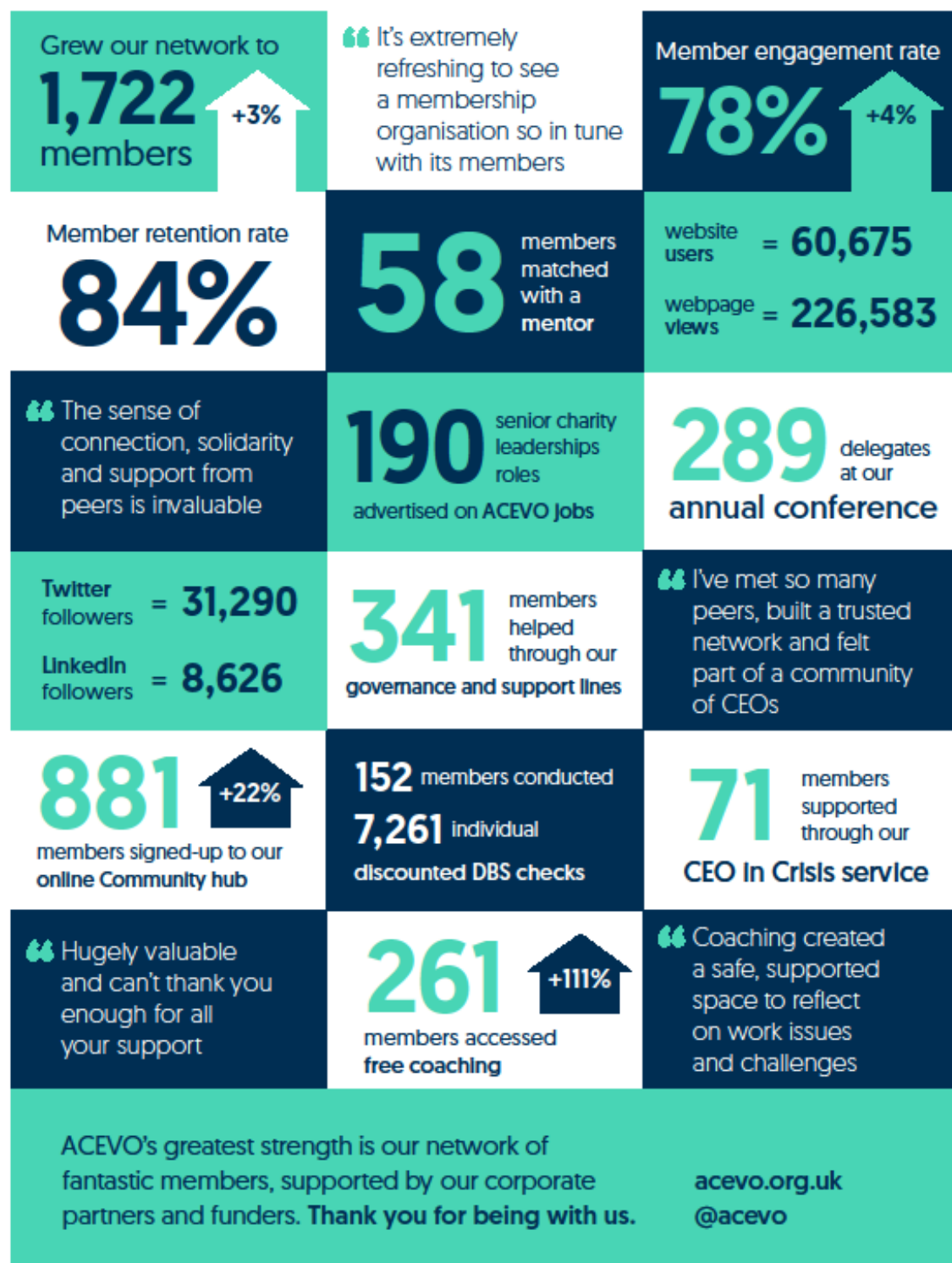
Our values are to be:

- 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.
- Inclusive: We promote a culture that celebrates our differences and where everyone is heard, respected and valued. We aim to create a space that is safe and welcoming.
- Ambitious: We are bold, confident, energetic and vibrant. We are both agile and entrepreneurial in leading and supporting our members in the challenges ahead.
- Honest: We always act with integrity and in the best interests of our members. We do what we say we will do and are open about both our objectives and our impact.

Our public benefit

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

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



Activities and achievements

Our three year strategy, launched in April 2022, sets out our goals under three clear intentions: to imagine, to inspire and to improve.

Despite the disruptions around us over the past twelve months we have made excellent progress in the majority of areas in the first year of delivery and have set firm foundations for the further delivery of our strategic intentions between now and the end of 2024/25.

Imagine

- **Paint a bold, ambitious picture of what society, the sector and its leaders could look like**

We maintained our position of thought leadership in the sector through the publication of blogs, podcasts and weekly newsletters to members across areas ranging from the climate crisis to good governance, and with a particular continuing focus on equity, diversity, inclusion and the practices that support our ambition for the sector to be the best it can be in these areas.

However, the development of our influencing strategy was delayed due to changes in personnel in year and while we focused on responding to pressing priorities in supporting members.

- **Represent the experiences, needs and collective impact of our members to those with the ability to make positive changes for the sector**

Working with our colleagues at NCVO we successfully lobbied government to include charities in the Energy Bills Relief Scheme, and in the spring budget of March 2023 secured an emergency package of support totalling £110 million for charities in the cost of living crisis.

We quickly engaged with and built a good working relationship with the newly appointed chair of the Charity Commission, Orlando Fraser, and with Rt Hon Stuart Andrew MP following his appointment as minister for civil society in September 2022, and were the first civil society membership body to secure a roundtable meeting with the Minister for our members following his appointment

- Strengthen and deepen collaborative work with civil society infrastructure bodies to deliver cross-sector shared objectives

We are proud to be an active member of the Civil Society Group, a collaborative network of over seventy sector bodies. We have continued to participate in the Civil Society Voice group, a separate collaboration of sector bodies that convened around the challenges to charities' right to campaign and the reduction of civil society space.

In response to the cost of living crisis emerging in the autumn of 2022, we led and co-ordinated a statement signed by around 40 civil society infrastructure bodies calling on government to provide urgently needed support for households in need, and targeted support for charities on the frontline of meeting that need.

- Champion and model good governance as an enabling force for greater impact

We continued our participation in the Charity Governance Code steering group, and continued to deliver the Dynamic Duo chair/CEO events in partnership with Association for Chairs, alongside other governance focused training and events for members.

We retained a focus on our own governance as a model for good practice, with the completion of a board review which demonstrated our strengths in all areas covered by the Code, albeit with some work to do in the area of digital governance.

The team at ACEVO were an amazing source of support and advice for me when I contacted them. They were professional, responsive and hugely helpful it is true that CEO's are human and do occasionally need support in addition to that provided by their Boards!"

Emma Johnson, CEO, St Leonard's Hospice

- Lead from the front in promoting, modelling, supporting and measuring best practice in equity, diversity and inclusion and workplace cultures for a more equitable, safer sector

This continues to be a high priority area for our thought leadership and practical work with members.

In this financial year we did the groundwork for the launch of the Home Truths 2 programme in early 2023/24: designing the programme, securing funding and engaging with key voices to help us ensure that the programme is contemporary and relevant to the issues of racism as experienced in our sector today.

We highlighted social mobility and class as an issue for our sector both through gathering data in our annual pay & equalities survey and by supporting member involvement in the Social Mobility Foundation's employer index.

We implemented year two of the second cohort of the Jane Slowey memorial memberships, providing leadership development for women from Black and minoritised ethnic communities. And we planned for the launch of the third and final cohort in the spring of 2023, which will particularly support disabled women leaders.

Internally, we maintained a high level of staff satisfaction and engagement as measured through our bi-annual staff survey, and carried out work to underpin our organisational values by articulating the internal culture and behaviours that matter to all of us – teamwork, trust, inclusion, care and support, and having fun together.

- **Show ambitious leadership to ensure that civil society contributes actively towards a just global transition to net zero emissions**

Climate justice became one of our key policy pillars in 2020 and this year we continued our focus in this area with the support of our member led sustainability and climate crisis working group.

We recruited the second cohort of participants into that group and with their input and guidance we have delivered two online climate crisis members meetings as well as a very well attended session as part of our annual conference.

We continued to promote commitment to our climate and environmental leadership principles amongst our members.

"The #climatecrisis is a social justice issue. I'm proud to be part of ACEVO's Climate Crisis Working Group, and it's great to see all my fellow members talking about how climate change is intrinsically linked with matters of health, poverty, inequality and exclusion."

Andrew Brown, Executive Director, The Veolia Environmental Trust

What we've learned

- In a responsive, member led organisation it is essential to allow for slack in the system so that when unexpected needs and demands arise you can react with agility. In the coming financial year our business plan explicitly identifies 'unplanned activity' in each area of work, to remind us that we don't make widgets, we respond to our members' needs and when the world suddenly changes around them those needs change.

- Working collaboratively with other sector bodies is not always easy, but it is incredibly powerful particularly when it comes to influencing key stakeholders such as government.
- The work of driving race equity and other equities in our sector cannot and must not ease up. As a mainstream organisation we have to continually challenge ourselves to keep up with the learning, innovation and expressed needs of minoritised communities, and as a leading body in the sector we have to continue to be willing to be transparent in our learning and our development in this space.
- The climate crisis is one of the biggest challenges facing us all – and yet it is hard to know how best to support, and lead, our members in this work. As a sector we have to go beyond carbon footprint management and move into the space of challenge and adaptation, but as a membership body we need to understand more about what support our members need and how we can best engage them in this area.

Inspire

- **Facilitate members to connect and learn from one another through peer support and sharing**

We delivered six regional face to face networking events and a three day flagship conference drawing on member experience and learning to help delegates grow as leaders.

We matched 70 people through our peer mentoring scheme, with 80% satisfaction from mentors + mentees.

We delivered 13 member support meetings, including four directly in response to the cost of living crisis.

And we supported five peer learning groups and two action learning sets.

- **Engage with and mobilise members to participate in ACEVO's influencing (public affairs, policy and advocacy) work**

We gathered and amplified member responses to the energy bills and cost of living crises, including inviting members to join a roundtable discussion with HM Treasury and with the Minister for Civil Society, Stuart Andrew MP

We gathered member responses to two Charity Commission consultations (Annual Reporting and Social Media Guidance)

We recruited the second iteration of our member led sustainability and climate crisis working group.

- **Produce rich digital experiences that provide inspiration, information, conversation and support**

Over half our members are now signed up to our online community forum, creating a rich opportunity for engagement, intelligence gathering and information sharing.

We piloted 'walk and talk' podcasts, and delivered an extensive range of online events (including a fully hybrid first day of our annual conference and 43 digital member meetings.)

However, we have not been able to launch our online member directory as we have not had the skills within the team; this skills gap is being addressed in 2023/24.

"Once again ACEVO and the community has helped me find practical advice and wisdom in a very short space of time. It's much appreciated and a real life-line for me."

Lucy Emmerson, CEO, Sex Education Forum

- **Develop and distribute compelling written and multimedia content that highlights good practice and innovative thinking**

We published a substantial number of blogs and thought pieces, including our weekly Leader to Leader email from our CEO to members. Our most popular blog this year was on 'Rebuilding culture after the pandemic.' However, we didn't achieve our target in publishing blogs written by members due to members' lack of capacity to contribute.

Our activity on social media has increasingly focused on publishing daily content on Linked In, where we have nearly 8,500 followers.

We have continued to publish podcasts, but trialling the 'walk and talk' format created some delays to the planned schedule.

- **Develop innovative approaches to learning and crisis prevention work, encouraging members to grow as leaders and people**

Capacity within the member support team and the lack of digital skills within the team meant that we couldn't progress this work as we had hoped to do – this will start to be addressed in 2024/25.

- Provide members with emotional support and opportunities to reflect

Within the year our support team responded to 71 crisis calls from members and 341 governance and support calls.

The team responded to emerging member need for support in the cost-of-living crisis with additional online 'sharing and support' events, plus individual follow up when needed.

"I have nothing but praise for ACEVO and the service and support it offers. Everyone within the organisation and its external partners have been highly skilled, capable and caring individuals. The support I received through ACEVO and its partners has enabled me to keep going and stay sane!"

Former CEO

What we've learned

- In the post-pandemic environment people really want to have the chance to be in a room together – and that doesn't necessarily need any other hook than simply the chance to connect.
- At the same time, the accessibility and availability of digital experiences, whether to connect or to learn, are hugely valued and really help us to strengthen our reach and impact for members across England and Wales.
- 'Walk and talk' podcasts are a great idea in terms of generating a really rich, freeflowing conversation. However, to do them successfully you need the right technology and enough time in the diary. For the time being, we'll be reverting to more traditional ways of recording our Leadership Worth Sharing podcasts.

Improve

- Build and develop our network of civil society leaders to widen the reach of our services and strengthen our engagement with existing members

We ended the year with membership standing at 1,722, an increase of nearly 3% on the previous year.

Within that is a renewal rate of 84%, and an annual member engagement rate of 78%.

The ACEVO Jobs Board has continued to grow in strength and reach, supported by a redesign of the jobs board webpages. Although we didn't quite achieve our target in signing up recruiters, we did achieve our goals in signing up job seekers, and this will continue to be a key focus in 2023/24.

"It's extremely refreshing to see a membership organisation so in tune with its members!"

Jamie Anderson, CEO, Age UK Wirral

- **Help develop our members' skills at all stages of their leadership journey**

We delivered two new and emerging leaders programmes, and a successful series of five Leadership Learning workshops through the year.

This has been a year of taking stock and reviewing our leadership development offers. We have been undertaking a review of our leadership development programmes, our coaching offer and the Dynamic Duo events delivered in partnership with the Association of Chairs. These reviews will come to fruition in 2023/24 and beyond.

- **Be there for our members throughout their careers, including times of crisis, offering a personalised service and a confidential space to be heard**

We had individual welcome calls with over 200 new members, as well as hosting five online new member meetings and three online events specifically for new CEOs.

At the other end of the leadership journey. 'Finding the courage to let go' was our most successful event outside of our conference, with over 70 members attending.

As detailed above, our member support team responded to 71 crisis calls and 341 governance and support calls – on average 1.6 calls per working day. Within that, the complexity and length of time taken to resolve the issues being reported has noticeably increased from previous years.

"Huge thanks for the chats, they've been enormously helpful for getting straight in my own mind. It's amazing how just articulating your own thoughts out loud to someone else who is objective and independent (as well as knowledgeable and experienced) can have such an impact. I'm much clearer about direction of travel now, so very grateful for the time."

Beth Kennedy, Executive Director, Ulverston Community Enterprises

- **Improve data collection and analysis to drive decision-making**

We have continued to collect substantial data – on membership activity and communications engagement – that is used on a day-to-day basis to inform budgeting, forecasting and operational decision making.

However, without the right skills in place within the team we have not yet been able to progress our ambitions to use that data strategically, particularly in relation to long term business planning and impact evaluation. This skills gap is being addressed in 2023/24.

- **Build deeper relationships for mutual benefit with corporate partners, trusts and foundations that support our vision**

We ended the year with over 30 carefully chosen corporate partners and five strategic partners, and strong relationships with six trusts and foundation grant makers.

We published at least two blogs by corporate partners every month, focusing on issues of particular relevance for our members. We also hosted eight corporate partner webinars across the year.

- **Secure and manage income and resources required to deliver our strategic objectives whilst maintaining our financial sustainability**

Once again we delivered above budget, achieving an end of year unrestricted surplus of £8,571 against a deficit budget of £60,000. Income consisted of £656,367 member income and £592,401 all other income, against expenditure of £1,188,065.

We began to address the capacity and skills gaps in our team by recruiting two new roles in year and planning for further recruitment in 2023/24.

What we've learned

- There are multiple long term impacts of the pandemic that are still to be navigated; and this was the year in which many leaders, having held everything together for their organization through the previous two years, felt that they had reached the tipping point of their resilience and capacity.
- Internally, we recognized the need to increase capacity in order to match longstanding growth in member numbers, and identified some key skills that we need as a team in order to meet our ambitions for our members.

Looking ahead: 2023-24

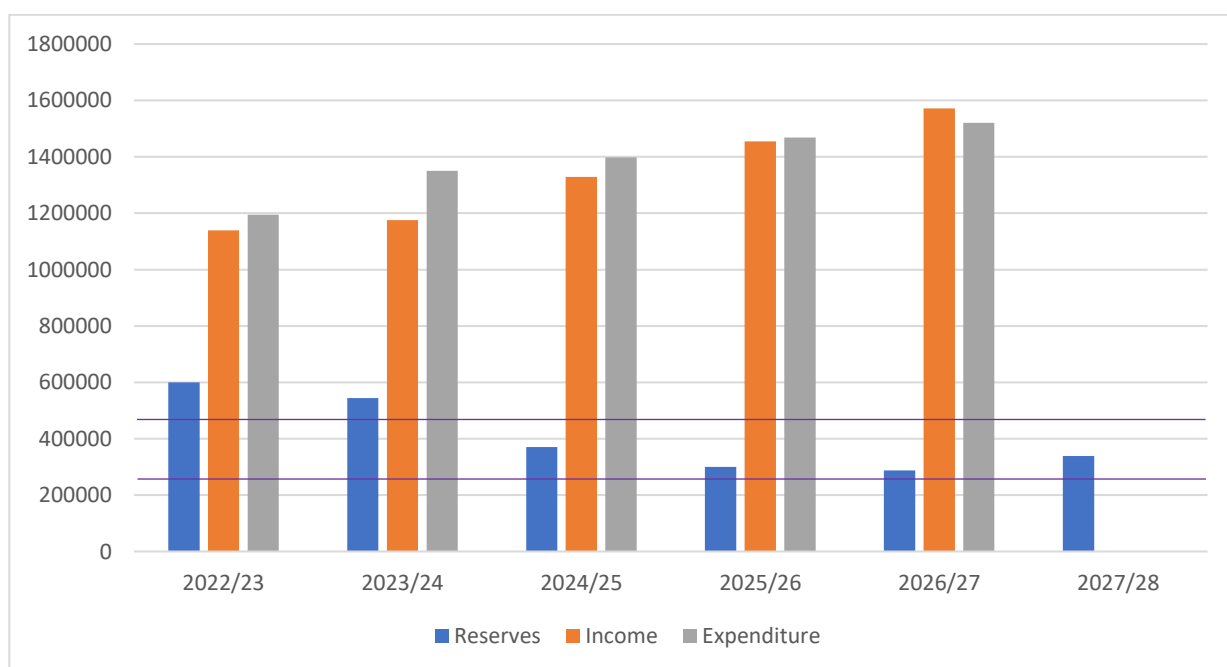
A strategic, long term approach to building capacity and maintaining reserves

In creating our business plan for the coming year we clearly identified the need to increase capacity within our team – a team that had not changed in size since 2017, in a period when our membership, and therefore our levels of activity, had increased by around 70%.

We also identified that we had a continuing challenge, identified over previous years, to use our surplus reserves to the benefit of our members – while at the same time managing the risk that, in the face of the continuing cost of living crisis and the impact on our members, this could be the point at which our income starts to plateau after several years of continuous growth.

Bringing those three factors together, we have defined a four year reserves investment plan that enables us to invest in much needed team capacity in 2023/24, models the necessary income and expenditure levels to be achieved in 2024/25 onwards in order to maintain our reserves at the right level in line with our reserves policy, and gives us a tool to continuously monitor change and take early corrective action where needed.

Following a considerable degree of scrutiny the board approved this reserves investment plan in March 2023, with recruitment for the additional team capacity getting underway in April 2023. Based on the figures available at that point, our reserves position year on year was forecast as follows. Our current reserves policy (£285k - £475k) is indicated by the horizontal lines. Going forward, the model is being updated with actual figures on a monthly basis, allowing us to more accurately forecast income targets and reserves levels in detail.



Development of new strategic goals in membership, influencing and income generation

In order to effectively deliver years two and three of our organisational strategy and meet the stretch income targets identified in our reserves investment plan in coming years, we are developing new strategic goals within our membership, influencing and income generation functions.

In an ambitious organisation that is highly responsive to changing needs around us these strategic goals will help us to keep some useful boundaries around what we do.

Our membership strategy will focus on managing the necessary balance between extending our reach to those who do not currently have access to our services and ensuring that we can continue to deliver high quality services and support to those who do, and will pay continuing attention to the ongoing challenges of achieving diversity in our sector's leadership.

Our influencing strategy will identify clearly the areas in which we will take a primary role on behalf of our members (including the delivery of the Home Truths 2 programme in partnership with Voice4Change England, the initiation of a workforce strategy for the sector in collaboration with NCVO, and prompting a meaningful debate about the charity governance model for the future resilience of our sector.) In a year that is leading inexorably towards a general election, we will also be working with NCVO to lead the development of a member led manifesto for the future, and responding to relevant issues as they arise.

Our income generation strategy will focus on identifying ways in which we can appropriately increase income from a range of sources, both through small scale incremental changes in our current charging policies and through ambitious new approaches that are relevant to our mission and goals. We will be looking to build on current excellent relationships with our corporate funders and trust and foundation grant makers, expanding those networks in ways that maximise our unique role in the sector and value we can bring to external stakeholders as well as to our members.

Maintaining the foundation stones for the future – governance, culture, member engagement

While we will always maintain our ambitious, forward thinking culture, we will not lose sight of the need to keep the core foundations of our success intact. This means paying close attention to our governance, our organisational culture and our relationship with members on a day to day basis.

The board review carried out in the latter part of 2021/22 demonstrated that we have much to be proud of in our board's maturity and effective governance, and our governance priority is to maintain that strength through a time of change around our board table. 2023/24 and 2024/25 will see a number of longstanding, highly valued trustees, including our chair, coming to the end of their terms of office and so this

year we are planning ahead for effective recruitment of new trustees, and eventually a new chair, who will lead us to the end of this decade.

As a small team that punches well above its weight in terms of impact and presence in the sector, our organisational culture is a crucial asset for us. We assess team morale and satisfaction regularly, through bi-annual staff surveys, quarterly one to one reviews with all team members and a culture that actively encourages tensions or concerns to be raised and resolved quickly and maturely. Our priority going forward is to keep paying close attention to small things that can make a big difference in maintaining that strong culture, including the enhancement of our wellbeing measures and the active promotion of the behaviours that we believe underpin our success as a team: teamwork, trust, inclusion, care and support, and having fun together.

Ultimately, the purpose of all of this work is to enable us to keep delivering excellent services and support to our members on a daily basis, responding to their needs and identifying opportunities to help them stay ahead of the curve in their own leadership development. Additional capacity in our membership team will help us to further strengthen our offer to members and our direct engagement with members, through a more coherent suite of leadership development programmes, a continuingly ambitious programme of events and activities, and the vitally important and highly valued direct member support services providing one to one advice, coaching, mentoring and crisis intervention.

Financial review

Details of the ACEVO Group income and expenditure for the year are set out on page 37. Income for the year was £1,248,768 (2022: £1,068,056); costs were £1,188,065 (2022: £966,383). The surplus in 2022-23 was £60,703 comprising an unrestricted surplus of £8,571 (2022: £105,163) and expenditure on restricted funds brought forward of £2,868. Carried forward restricted funds were £65,899 (2022: £13,767). The application of funds in support of ACEVO's charitable activities is disclosed in note 4. At 31 March 2023 total group fund balances increased to £624,584 (2022: £563,881).

ACEVO Solutions Ltd is a wholly owned subsidiary company of ACEVO, delivering corporate sponsorship and affinity activity which support ACEVO's main charitable activities. ACEVO Solutions made a surplus of £140,314 during the year (2022: £95,895) (see note 11). This will be paid to ACEVO as a qualifying distribution.

Strategic partners & funders

Whilst we have a healthy stream of income from membership fees and other member income, we could not achieve all we do for our members without the ongoing support of our corporate partners and a small group of highly valued grant funders.

Our corporate partnerships continue to go from strength to strength and we closed the 2022/23 financial year with five strategic partners and thirty four other corporate relationships in place. Each partnership has been developed with the primary aim of bringing value to our members, through giving them access to insight, knowledge and professional services at competitive or discounted rates.

Strategic partners at 31 March 2023:

CCLA

Hempsons

Energycentric

Sarasin & Partners

WorkNest

Zurich Insurance

Other corporate relationships at 31 March 2023:

Access Insurance

Action Planning

Barclays

BDB

BDO

BoardClic

Brewin Dolphin

Buzzacott

Campbell Tickell

Charles Stanley

Crowe

Digiboard

Digithouse

Eastside Primetimers

Energise

Evelyn Partners

Forster Communications

Foster Denovo

Gatherwell Ltd
Green Park
Hope & May
Muckle LLP
nfpSynergy
Rathbones
Ruffer LLP
Sayer Vincent
Scrutton Bland Insurance
Smartdesc
Utility Aid
Womble Bond Dickinson
Working Families
Wrigleys
uCheck

Grant funding as at 31 March 2023

We are extremely grateful for the ongoing support we receive from Barrow Cadbury, Garfield Weston, The Paul Hamlyn Foundation, The Pears Foundation, Lloyds Bank Foundation and the National Lottery Community Fund.

Details of restricted and unrestricted grant funding received in the financial year 2022/23 are provided in the statement of financial activities on page 37.

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 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 flow and working capital requirements and cover for unplanned expenditure. The ongoing impact of the cost of living crisis, and the uncertainty this continues to create has been considered when planning for the coming year and the reserve policy set with this in mind.

Free reserves represent unrestricted funds of the charity excluding restricted and designated funds.

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

- Working capital
- Financial risk management
- Future strategic development

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

The trustees consider that it would be prudent to set aside an amount equivalent to between three to five months of the forthcoming year's planned expenditure costs – for 2023-24 this would be between £285,249 and £475,415. The free reserves at 31 March 2023 of £559k meet the requirements of the reserves policy.

Going concern

Despite ongoing challenges caused by the cost of living crisis and its impact on members, ACEVO has had another successful financial year.

Our membership offer continues to be valued; member numbers grew another 3% this year to 1,722 and membership income remained strong at £656,367. Non-member earned income from our corporate partners also grew over the year. We are fortunate to retain the Paul Hamlyn Foundation Backbone funding of £40k per year for a further three years, to have been given unrestricted funding of £15,000 over one year from the Pears Foundation and to have received unrestricted funding from Garfield Weston of £80,000 over two years.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our membership renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

In September 2023 trustees discussed the specific areas around our viability as a going concern and any anticipated risk to our operations.

The positive membership trends seen in recent years last year have continued to date, with stable membership numbers in the first months of the new financial year and member retention remaining strong at an average of 82% in the first quarter of the new financial year to date. There are currently no identifiable risks which could materially impact our operating expenditure.

The charity has a strong balance sheet, with free reserves of £559k, well within the reserve policy approved by trustees, and no indication of any short term cashflow shortfall. The reserves investment plan adopted in March 2023 enables us to effectively model and forecast risks to our reserves level and to make course adjustments accordingly.

Given the availability and liquidity of these unrestricted funds, the trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

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 13 January 2021.
Company number	03514635
Charity number	1114591
Registered office	71-75 Shelton Street London WC2H 9JQ
Trustees	Rosie Ferguson, chair David Smith, deputy chair Joyce Materego, treasurer Kate Allen Neil Heslop Rashid Iqbal Ruth Marks Tiger de Souza Andrew Copson (from 9 December 2022)
Chief executive	Vicky Browning (an ex officio trustee) (to 27 May 2022) Jane Ide (an ex officio trustee) (from 23 May 2022)
Banker	National Westminster Bank plc 332 High Holborn, London WC1V 7PS
Solicitor	Hempsons 100 Wood St, London EC2V 7AN
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London EC1Y 0TL

Structure, governance and management

Governing document

ACEVO is a company limited by guarantee governed by its Articles of Association dated 13 January 2021. It is registered as a charity with the Charity Commission. Full membership of ACEVO is open to individuals holding the chief executive post (or equivalent) of civil society organisations. In the event of an insolvent winding up, each member's liability is limited to £1.

Appointment of trustees

As set out in the articles of association, the board of trustees comprises

- not more than 10 trustees elected from among and by the full members;
- not more than five trustees appointed by co-option, which may include the chair and the treasurer; and
- the chief executive of the Association as an ex-officio member of the board.

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

Trustees

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

Trustee	30/06/2022	29/09/2022	08/12/2022	01/03/2023	30/03/2023
Rosie Ferguson (chair)	X	√	√	√	√
David Smith (deputy chair)	√	√	√	√	√
Joyce Materego (treasurer)	√	√	√	√	√
Jane Ide (CEO)	√	√	√	√	√
Kate Allen	√	√	√	√	√
Neil Heslop	√	√	√	√	X
Rashid Iqbal	√	√	√	√	√
Ruth Marks	X	X	X	√	√
Tiger de Souza	√	√	√	X	X
Andrew Copson	o	o	o	√	X

Key o: not in post, X: did not attend, √: attended

The board has delegated detailed aspects of its work to a Finance and Audit Committee. The board members who served on the committee were Joyce Materego (chair), Rosie Ferguson (to December 2022), Kate Allen, Neil Heslop (from December 2022) and Robin Osterley who served as a co-opted member of the committee.

The Finance and Audit Committee has key responsibilities for

- ongoing monitoring and review of financial performance
- ensuring there is a framework for accountability
- reviewing the systems of internal control
- identifying, managing and reporting of financial and operational risk
- ensuring ACEVO is compliant with relevant legal and regulatory requirements, 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 Rosie Ferguson, David Smith and Joyce Materego.

The Remuneration Committee has delegated authority for

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

Key executive personnel

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

Jane Ide, chief executive; Anne Wallis, head of membership and marketing, Pete Johnson, head of business development; Roberta Fusco, head of influencing; and Yetunde Ogundele, head of finance and operations.

We are greatly indebted to our former CEO, Vicky Browning, who stepped down from her role in May 2022 having led the transformation of ACEVO over the previous five years. Within the year we also bade farewell to Alan Lally-Francis, formerly head of influencing. Tom Andrews, head of member support, stepped down from the senior management team in order to focus on his core work of member support.

Related parties

None of the trustees receives remuneration or other benefit from their work with the charity, other than Jane Ide, 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.

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

Remuneration policy

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

Our former CEO Vicky Browning's salary was £88,217 plus pension benefits of 6%. Vicky Browning was an ex officio trustee until the date of her resignation in May 2022. Her successor, Jane Ide, was appointed on a salary of £85,000 plus pension benefits of 6%, and confirmed as an ex-officio trustee in June 2022. ACEVO's articles require the chief executive to be a trustee and allow the chief executive to be remunerated.

Risk management

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

Key risk	Mitigation
Economic crisis and civil society budget pressures leads to fewer members or diminished engagement with ACEVO	Continued focus on demonstrating value to members as 'the membership you cannot afford to be without'. Greater activity in membership marketing activities through refocusing of membership marketing manager role. Investment in member services manager role will enable us to maximise strategic approach to supporting members.
Staff at risk of burnout	Capacity increased in line with business plan 2023/24 and new roles starting to have impact. Business planning process has intentional awareness of impact of unplanned/additional work in year. Leadership focus on managing, not increasing, demands on team. Biannual staff survey, quarterly 1:1 reviews and open culture enable early identification and mitigation of

	specific issues. New employee assistance programme introduced in July 2023.
Loss of capacity due to long term staff sickness absence (four weeks or more)	Flexible working patterns, support for staff wellbeing, awareness of line managers of potential risks around staff absence all key to mitigating risk of long term sickness absence arising. MHFA training for all line managers to be planned in 2023/24. Where sickness absence is planned (eg elective surgery) handover and cover arrangements to be made from within current capacity. If absence likely to be more than two months, consideration to be given to finding temporary cover.
Failures in member management software platform may cause a disruption to member services and income streams	External support contracted and in place. New software administrator appointed with effect from August 2023. Necessary updates to software platform will be implemented when administrator in post.
Funding from corporate partners under pressure due to economic crisis	Maintenance of strong relationships with our partners based on mutual benefit to our members and to them. Continue to research potential partnerships, continue to focus on fewer, more impactful, partnerships and renewed focus on building partnerships with those sectors less impacted by economic crisis. Investment in one additional role in income generation team will enable us to maximise opportunities and maintain competitive edge.

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.

Equity, diversity and inclusion

ACEVO's equity, diversity and inclusion action plan details the steps we are taking as an organisation to fulfil our aspiration to be a genuinely inclusive charity through diverse representation at all levels, a culture that supports staff and volunteers to fully be themselves, and to be a charity that is anti-racist and able to demonstrate how we have removed structural barriers that perpetuate racism, ableism and other discriminatory behaviours.

We publish [progress against the plan annually](#), including how we're meeting our diversity benchmarks for staff and trustees:

	ACEVO staff		ACEVO trustee board	
	Target by 2024	Status at 31.3.23	Target by 2025	Status at 31.3.23
Gender balance (women : men)	60:40	94:6	60:40	50:50
Proportion of BAME staff /trustees	40%	47%	40%	30%
Proportion of BAME staff at SMT level	-	50%		
Proportion of staff/trustees with a disability or long-term health impairment	20%	20%	20%	30%
Proportion of LGBT+ trustees			20%	20%

A full explanation of why we chose these targets and how we have been working to achieve them is [available on our website](#), as is our most recent [gender and equity pay gap data](#). In 2022/23 we updated our trustee benchmarks across the specified characteristics for a further three years and introduced a new benchmark for LGBT+ representation at board level.

Compliance with the Charity Governance Code

The aim of the Charity Governance Code is to help charities and their trustees develop high standards of governance. As a sector, we owe it to our beneficiaries, stakeholders and supporters to demonstrate exemplary leadership and

governance. The Code is not a legal or regulatory requirement. Instead, the Code sets the seven principles and recommended practice for good governance and is deliberately aspirational, a tool for continuous improvement towards the highest standards.

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

Building on the very positive outcomes of the full governance review that we reported on last year we have continued to focus on key aspects of our governance practice. We have continued to develop the shared understanding between trustees and senior management of our core purpose and how that plays out in the strategic and operational decisions we make. We have maintained our practice of annual review of our chair's performance, and we are introducing a light touch but meaningful framework for trustee appraisal.

In the year 2023/24 we will be losing our deputy chair as he comes to the end of his term of office and starting preparations to recruit a new chair to be in position for December 2024, when Rosie Ferguson comes to the end of her term in the role. Other trustees will also be coming to the end of their terms in December 2023 and we will be looking to elect and/or co-opt at least four new trustees to our board in the same timescale.

Those trustees that join us this calendar year will lead us through to the end of the next decade, and those that join us next year, including our new chair, will be leading the organisation into 2030. As a result we have the opportunity to think strategically about the strengths and aptitudes we want and need to prepare us for the future, beyond the key skills of governance and the diversity of characteristics that already mark our board as an excellent exemplar of governance within the sector.

Trustee's responsibilities in relation to the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume
- that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

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.

Approval

The trustees' report was approved by the trustees on 21 September 2023 and signed on their behalf by

Rosie Ferguson
Chair

Joyce Materego
Treasurer

Independent auditor's report to the members of 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 2023 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 FRS 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 2023 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Association of Chief Executives of Voluntary Organisations' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-

compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Judith Miller (Senior statutory auditor)

Date: 3 October 2023

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 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Charitable activities	2						
Membership services		656,367	–	656,367	638,797	–	638,797
Training and development		164,849	–	164,849	140,677	–	140,677
Supporting services and projects		99,000	55,000	154,000	55,000	–	55,000
Other trading activities	3	269,433	–	269,433	233,582	–	233,582
Investments		4,119	–	4,119	–	–	–
Total income		1,193,768	55,000	1,248,768	1,068,056	–	1,068,056
Expenditure on:							
Raising funds		157,984	–	157,984	135,761	–	135,761
Charitable activities							
Membership services		522,290	2,868	525,158	409,050	3,490	412,540
Training and development		287,434	–	287,434	219,141	–	219,141
Policy and representation		217,489	–	217,489	198,941	–	198,941
Total expenditure	4	1,185,197	2,868	1,188,065	962,893	3,490	966,383
Net income/(expenditure) for the year and net movement in funds	5	8,571	52,132	60,703	105,163	(3,490)	101,673
Reconciliation of funds:							
Total funds brought forward		550,114	13,767	563,881	449,951	17,257	462,208
Total funds carried forward		558,685	65,899	624,584	550,114	13,767	563,881

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 17 to the financial statements.

Association of Chief Executives of Voluntary Organisations

Balance Sheets

Company Number: 03514635

As at 31 March 2023

	Note	Group 2023 £	2022 £	Charity 2023 £	2022 £
Fixed assets:					
Tangible assets		-	-	-	-
Investment in subsidiary undertaking	10	-	-	1	1
		-	-	1	1
Current assets:					
Debtors	13	80,736	80,236	344,449	400,733
Short term deposits		41,733	41,006	41,733	41,006
Cash at bank and in hand		1,014,507	901,156	722,293	547,658
		1,136,976	1,022,398	1,108,475	989,397
Liabilities:					
Creditors: amounts falling due within one year	14	512,392	458,517	483,892	425,517
Net current assets		624,584	563,881	624,583	563,880
Total net assets		624,584	563,881	624,584	563,881
Funds:	17a				
Restricted funds		65,899	13,767	65,899	13,767
Unrestricted funds:					
General Funds (Free reserves)		558,685	550,114	558,685	550,114
Total unrestricted funds		558,685	550,114	558,685	550,114
Total funds		624,584	563,881	624,584	563,881

The parent charity result for the year included in the group accounts is a deficit of £25,659 (2022: £109,048).

Approved by the trustees on 21 September 2023 and signed on their behalf by

Rosie Ferguson
Chair

Joyce Materego
Treasurer

Association of Chief Executives of Voluntary Organisations

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		60,703		101,673	
Dividends, interest and rent from investments		(4,119)		–	
(Increase)/decrease in debtors		(500)		40,019	
Increase/(decrease) in creditors		53,875		(10,453)	
Net cash provided by operating activities		109,959		131,239	
Cash flows from investing activities:					
Dividends, interest and rents from investments		4,119		–	
Net cash provided by investing activities		4,119		–	
Change in cash and cash equivalents in the year		114,078		131,239	
Cash and cash equivalents at the beginning of the year		942,162		810,923	
Cash and cash equivalents at the end of the year		1,056,240		942,162	

Analysis of group cash and cash equivalents

Group	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand	901,156	113,351	–	1,014,507
Deposits (more than 3 months)	41,006	727	–	41,733
Total cash and cash equivalents	942,162	114,078	–	1,056,240

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 71–75 Shelton St London WC2H 9JQ.

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) – (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. The financial results of the parent company are disclosed in note 12.

c) Public benefit entity

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

d) Going concern

The trustees considered the financial position of the company and its business plan in March 2023, taking account of the external environment and the ongoing global pandemic, and were content that these plans were affordable. They remain confident that ACEVO can continue its business-critical activities and achieve its charitable objectives. 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 membership subscriptions and income, and continued support from sponsors. Given the availability and liquidity of unrestricted funds totalling around £559k, the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

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.

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.

1 Accounting policies (continued)

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 £3,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

- Computer – hardware and software 3 years

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.

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.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

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

s) Critical judgements and estimates

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

2 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Membership Fees	656,367	–	656,367	638,797	–	638,797
Training and development	164,849	–	164,849	140,677	–	140,677
Supporting services	99,000	55,000	154,000	55,000	–	55,000
Total	<u>920,216</u>	<u>55,000</u>	<u>975,216</u>	<u>834,474</u>	<u>–</u>	<u>834,474</u>

3 Income from other trading activities

	2023 Total £	2022 Total £
Sponsorship Income	161,395	149,425
Commissions received from affinity schemes	49,338	38,802
Trading income from business activities	58,700	45,355
	<u>269,433</u>	<u>233,582</u>

All income from other trading activities is unrestricted.

Notes to the financial statements

For the year ended 31 March 2023

4a Analysis of expenditure (current year)

	Staff £	Other direct costs £	Support £	2023 Total £	2022 Total £
Charitable activities					
Membership services	220,056	114,378	190,724	525,158	412,540
Training and development	76,000	110,483	100,951	287,434	219,141
Policy and representation	104,305	2,400	110,784	217,489	198,941
	400,361	227,261	402,459	1,030,081	830,622
Other trading activities					
Cost of raising funds	82,674	860	74,450	157,984	135,761
	483,035	228,121	476,909	1,188,065	966,383

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

Notes to the financial statements

For the year ended 31 March 2023

4b Analysis of expenditure (prior year)

	Staff £	Other direct costs £	Support £	2022 Total £
Charitable activities				
Membership services	208,699	43,724	160,117	412,540
Training and development	106,177	34,996	77,968	219,141
Policy and representation	109,558	2,700	86,683	198,941
	<u>424,434</u>	<u>81,420</u>	<u>324,768</u>	<u>830,622</u>
Other trading activities				
Cost of raising funds	77,131	1,315	57,315	135,761
	<u>501,565</u>	<u>82,735</u>	<u>382,083</u>	<u>966,383</u>

	Member Services £	Training and development £	Policy and representation £	Cost of raising funds £	2023 Total £
Support costs					
Management and admin	116,610	59,653	66,156	43,388	285,807
Office and premises	21,393	10,944	12,103	7,960	52,400
Governance	5,847	2,924	3,341	2,367	14,479
Other	16,267	4,447	5,083	3,600	29,397
	<u>160,117</u>	<u>77,968</u>	<u>86,683</u>	<u>57,315</u>	<u>382,083</u>

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

Notes to the financial statements

For the year ended 31 March 2023

5 Net income for the year

This is stated after charging /(crediting):

	2023 £	2022 £
Operating lease rentals:		
Property	7,500	7,500
Auditor's remuneration (excluding VAT):		
Audit	10,300	9,350
Other services	1,050	925
	<u>7,500</u>	<u>9,350</u>

6 Staff and trustee remuneration and expenses

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	598,646	562,718
Social security costs	65,954	57,041
Pension contributions	73,022	94,750
Total Staff Costs	<u>737,622</u>	<u>714,509</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:

	2023 No.	2022 No.
£70,000 – £79,999	1	–
£80,000 – £89,999	–	1
	<u>1</u>	<u>1</u>

Jane Ide was paid £73,122 (2022: £88,217, Vicky Browning) as Chief Executive with employer pension contributions of £3,825 (2022: £5,293, Vicky Browning). Jane Ide is a member of the ACEVO Board, ex officio.

The ratio of the highest paid member of staff to the lowest was 3.1:5 (2022: 3.6:1).

9 trustees (2022: 7) were reimbursed expenses in respect of travel and subsistence totalling £1,557 (2022: £2,921). The charity maintains a liability insurance policy that protects both the charity and its Trustees from losses arising from neglect or default by the Trustees, employees or other agents of the group.

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

The total employee benefits including employer pension contributions and employer national insurance of the key management personnel were £359,547 (2022: £324,866).

Notes to the financial statements

For the year ended 31 March 2023

7 Staff numbers

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

	2023 Headcount	2022 Headcount	2023 FTE	2022 FTE
Member Services	4.9	6.1	4.9	4.3
Training and development	2.5	1.2	1.1	1.1
Policy and representation	2.0	3.0	3.1	2.6
Supporting services	5.0	4.0	5.9	3.6
	14.4	14.3	15.0	11.6

8 Related party transactions

Aggregate donations from related parties were £Nil (2022: £Nil).

A management charge of £157,984 (2022: £135,761) was made for the year to the charity's trading subsidiary, ACEVO Solutions Ltd.

A distribution of profits for the year of £140,314 (2022: £95,895) was received from the charity's trading subsidiary.

9 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.

	2023 £	2022 £
UK corporation tax	-	-

10 Investments – Charity

Investment in subsidiary undertaking at cost

	Total £
At 1 April 2022 and at 31 March 2023	1

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

ACEVO Solutions has a Board of Directors. At the Balance Sheet date the Board had two members who were also ACEVO trustees. See note 11.

Notes to the financial statements

For the year ended 31 March 2023

11 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 David Smith as well as the CEO, Jane Ide, are directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	269,433	231,656
Cost of sales	(129,119)	(78,446)
Gross profit	140,314	153,210
Administrative expenses	–	(57,315)
Profit before tax and distribution	140,314	95,895
Distribution to parent charity	(140,314)	(95,895)
Retained in subsidiary	–	–
The aggregate of the assets, liabilities and funds was:		
Assets	371,150	430,813
Liabilities	(371,149)	(430,812)
Funds	1	1

A management charge of £157,984 (2022: £135,761) was made for the year.

12 Parent charity

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

	2023 £	2022 £
Gross income	1,146,567	1,066,741
Result for the year	(25,659)	109,048

13 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	78,936	77,315	–	–
Prepayments	1,800	2,921	1,800	2,921
Amounts due from subsidiary undertaking	–	–	342,649	397,812
	80,736	80,236	344,449	400,733

Notes to the financial statements

For the year ended 31 March 2023

14 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Membership fees received in advance	322,394	300,700	322,394	300,700
Other member income received in advance	73,892	33,865	73,892	33,865
Trade creditors	25,617	9,713	25,617	9,713
Accruals	12,553	26,503	12,553	26,503
Taxation and social security	43,906	37,391	43,906	37,391
Other creditors	5,530	9,345	5,530	9,345
Deferred sponsor income	28,500	41,000	–	8,000
	512,392	458,517	483,892	425,517

Membership fees received in advance comprises £277,530 for 2022/23, £17,970 for 2023/24 and £5,199 for 2024/25.

15 Movements in income received in advance and deferred income

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

16a Analysis of group net assets between funds (current year)

	Restricted funds	General unrestricted	Total funds
	£	£	£
Current assets	65,899	1,071,077	1,136,976
Current liabilities	–	(512,392)	(512,392)
Net assets at the end of the year	65,899	558,685	624,584

16b Analysis of group net assets between funds (prior year)

	Restricted funds	General unrestricted	Total funds
	£	£	£
Current assets	13,767	1,008,631	1,022,398
Current liabilities	–	(458,517)	(458,517)
Net assets at the end of the year	13,767	550,114	563,881

Notes to the financial statements

For the year ended 31 March 2023

17a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Jane Slowey memorial membership programme	3,767	–	(2,868)	–	899
National Lottery Awards for all	10,000	–	–	–	10,000
Home Truths 2	–	55,000	–	–	55,000
Total restricted funds	13,767	55,000	(2,868)	–	65,899
Unrestricted funds:					
General funds (free reserves)	550,114	1,193,768	(1,185,197)	–	558,685
Total unrestricted funds	550,114	1,193,768	(1,185,197)	–	558,685
Total funds	563,881	1,248,768	(1,188,065)	–	624,584

Purposes of restricted funds

Lloyds Bank Foundation: a grant to be spent on a review of infrastructure bodies' collaboration

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

The National Lottery Awards for all: a match-funding grant to support years 5–6 of the Jane Slowey memorial programme.

Notes to the financial statements

For the year ended 31 March 2023

17b Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Jane Slowey memorial membership programme	7,257	–	(3,490)	–	3,767
National Lottery Awards for all	10,000	–	–	–	10,000
Total restricted funds	17,257	–	(3,490)	–	13,767
Unrestricted funds:					
General funds (free reserves)	444,951	1,068,056	(962,893)	–	550,114
Total unrestricted funds	444,951	1,068,056	(962,893)	–	550,114
Total funds	462,208	1,068,056	(966,383)	–	563,881

Purposes of restricted funds

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

The National Lottery Awards for all: a match-funding grant to support years 5–6 of the Jane Slowey memorial programme.

18 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.