
THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Christopher Mark Sanders, Chair Prof Ann Barrett OBE, Chair (resigned 24 June 2020) Christine Anne Berry John Bryden Richard Burge (resigned 24 June 2020) David Martin Sandra Toni Moses Allan Thomas Treacy (resigned 23 June 2020)
Company registered number	00604757
Charity registered number	279567
Registered office	Stapleford Granary Bury Road Stapleford CB22 5BP
General Secretary	Paul B Barnes, MSc, PhD
Independent auditors	Peters Elworthy & Moore Chartered Accountants Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
Bankers	The Royal Bank of Scotland plc 82-88 Hills Road Cambridge CB2 1LG
Stockbrokers	Cantab Asset Management Limited 50 Station Road Cambridge CB1 2JH
Honorary President	Dr Roland Randall MA MSc PhD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Association for Cultural Exchange Limited (the Group/Charity) for the year ended 31 December 2020. The trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) second edition - October 2019 (effective 1 January 2019), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Charity carries out the majority of its activities under the name of Stapleford Granary.

OBJECTIVES AND ACTIVITIES

The objectives of the Charity are to advance the education of the people of the United Kingdom and elsewhere in the fields of general history; music; art, architecture and design; archaeology; literature; environmental studies; and the theory of education.

Strategies and activities for achieving objectives

The Charity has a particular emphasis on learning through active participation and in furtherance of its objectives provides study courses and tours; conferences, lectures, seminars and exchange visits of an educational nature; awards bursaries and scholarships; and retains or employs professional or administrative staff in connection with all or any of the objectives of the organisation.

The Charity owns and operates Stapleford Granary, an educational centre for the arts, design and music. In addition to courses and events directly provided for the public, emphasis is given to the continuing development of musicians, artists, tutors and other expert practitioners. By providing such an opportunity, the Charity can have a wider impact than through courses alone.

The Charity also makes donations and grants from time to time to other charities with shared cultural and educational objectives.

Grant making policy

The grant-making policy takes into account the financial situation of the charity. The Charity invites applications for funding of projects and each application is reviewed by the General Secretary. After the reviews have been completed, the remaining applications are evaluated by a committee of directors. A requirement of all grants is that a satisfactory report must be received within a set timeframe.

Fixed asset investment

In late 2009 the Charity purchased a range of disused farm buildings at Bury Farm, Stapleford, with the aim of converting them into a new home for the organisation. The Charity had long been short of office space and the newly acquired property provided a long-term solution to the problem. The property purchase also created a better-balanced investment portfolio. The granary and adjacent barns were purchased with existing planning permission for conversion into offices.

In 2012, full planning permission was granted to convert the majority of buildings into an ACE study centre for arts and music. During 2013 the old granary was converted into a multi-use recital/lecture/seminar space and following completion of this initial phase of building works our first full programme of study courses, lectures, concerts and associated events took place in 2014.

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Repairs have been made to ancillary buildings to maintain and increase their value. In addition, part of the stable wing has been converted to provide light workshop and office use.

In 2015, the cart lodges were converted into an art studio with teaching facilities and a separate breakout space with a kitchen area. In 2017, plans to start the conversion of the remaining buildings on the site were commenced, providing additional office and music/arts spaces and improved visitor facilities. The building work was completed in summer 2018. During 2020 existing office space was refurbished to provide a music ensemble room and a green room for visiting artists.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing aims and objectives and planning future activities and setting the grant-making policy for the year.

The courses offered by the Charity range in duration from one day to three months, providing a choice of activities accessible and affordable to a large cross section of the population. The fees vary according to the nature and duration of the courses, but in all cases are set at a level in order to make them as affordable as possible. The Charity is able to offer a limited number of student bursaries and scholarships to provide educational opportunities for those who would otherwise be excluded.

We continue to expand our range of educational courses at Stapleford Granary to cater for people with a wide range of ages (attracting students from 8 to 80) and backgrounds. Music day courses provide access to world-class musicians for players of all ages and abilities. From its earliest days the Charity has been particularly keen to encourage the exchange of ideas amongst people from diverse cultures and it is intended to develop such opportunities at Stapleford Granary.

The Charity recognises that physical and financial resources limit the number of students who can benefit from direct participation in courses at Stapleford Granary. Attention is therefore also given to developing the skills and qualities of the expert tutors and artists. This is achieved partly by providing a stimulating and creative environment in which artists and makers can develop ideas, and partly through more formal seminars, collaborations and other educational activities. As a result, the public benefit extends beyond Stapleford Granary and, through the artists' work, to the wider community. Similarly, concerts and exhibitions provide access to music and the arts for a broader range of people than could be achieved by courses alone.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

After a very positive start, the year was almost entirely dominated by the UK and other governments' responses in respect of Covid-19.

From January to early March, Stapleford Granary was host to a number of outstanding musicians, including concerts by Atila Huseyin (the Nat King Cole story), Daniela Rossi, James Gilchrist & Anna Tilbrook, Burns Night with Eabhal, Hyungi Lee, Breabach, Imogen Cooper, Savitri Grier & Richard Uttley, and the Kairos 4Tet. Other events before the enforced closedown included an evening with the Rev Richard Coles.

Musical tuition provided early in the year included the Folk Ensemble, Piano Club, Clarinet Choir, Flute Choir, Wind Sinfonia, and the Youth String Orchestra.

Art courses operating in our studio workshops also started the year in a positive fashion and included drawing for beginners, drawing for improvers, stained glass, discovering print, book binding, mixed media, jewellery and silversmithing.

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In January we hosted a major exhibition by award winning artist Ophelia Redpath and in March we briefly enjoyed Drawn from Nature, an exhibition in partnership with MKA Ecology featuring works by some of the UK's finest natural history artists.

The Association for Cultural Exchange has been a pioneer in adult education since 1958, delivering a highly successful programme of study tours and courses at home and abroad. The study tours are provided by a trading subsidiary, ACE Cultural Tours Limited. In 2020, the majority of the activities of ACE Cultural Tours was curtailed by the international crisis. After the beginning of March it was only possible to operate two further tours before the end of the year. The remainder of our normally very extensive programme covering art history, history, archaeology, architecture, music, and natural history was prevented from operating due to government policy.

In addition to our own educational programmes, the Association for Cultural Exchange continues to work with partner organisations by provision of facilities at no cost or at reduced rates and by making a small number of grants to other educational projects. Grants made in 2020 totalled £13,590 (2019 - £12,276).

Due to the continued uncertainty regarding the lifting of government restrictions, considerable time and effort was expended on postponing and rearranging activities, whether at Stapleford Granary or within our trading subsidiary ACE Cultural Tours. As the crisis continued ever on, the rearranged activities themselves had to be cancelled or further postponed, resulting in further losses.

Impact of government response to Covid-19

The situation arising as a result of Covid-19 has had a significant impact on the charity's activities. Stapleford Granary temporarily closed to the general public in March 2020 in accordance with government guidelines. It had been hoped to reopen fully in the autumn term 2020, however due to ongoing restrictions this was not possible. A limited number of courses recommenced in May 2021 and we now hope to reopen fully in autumn 2021.

Throughout the year, measures were taken to mitigate losses and adapt to future circumstances. In July 2020, Dr Kate Romano joined the organisation, initially on a freelance basis and as from July 2021 in an employed position as CEO, Stapleford Granary. Kate will help develop a new artistic vision for the site and reach out to new audiences. We are looking forward to a time post-pandemic when we can provide greater public engagement in the arts at Stapleford Granary. Our ambition is to be able to offer cultural activity on a daily, rather than event-specific, basis to a wide range of participants, with an emphasis on 'low risk' cultural engagement for those who may not have previously considered using an arts centre.

In the short term, it has been necessary to reduce staff hours and make use of the furlough scheme in order to reduce expenditure.

We have invested in digital media production in order to create interesting content with which to continue to engage with the public and to offer this service to other organisations and artists. We hope that by keeping in touch with audiences we can recover more quickly when conditions allow and have been successful in renting the recital hall to recording artists, bringing in income and supporting the creation of both audio and video recordings. One such scheme was in partnership with the Young Composers and Artists Trust, for whom we recorded a series of high quality audio-visual productions featuring outstanding young musicians.

The recital hall has also been used extensively for artist development and rehearsals, a development which has brought in modest, but valuable, income, assisted the artists themselves, and helped raise the profile of Stapleford Granary.

Similarly, ACE Cultural Tours has had to suspend its operations until it is again possible to travel. The company has been successful in minimising forward payments to suppliers in advance of being confident that a specific tour will operate. We have also been more successful than we had anticipated in obtaining either refunds from suppliers or a credit pending future tours. We consider our relationship with suppliers to be vital to assist with returning gradually to more normal trading conditions.

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Bookings for 2022 are strong and at the end of June 2021 exceeded those for the equivalent period in 2019. The tour programme for 2022 has been designed to mitigate risks and has a greater emphasis on the UK plus selected overseas destinations that we feel are least likely to suffer disruption.

Whilst staff numbers have been reduced substantially, we have managed to retain our key staff resources, which will enable us to operate tours in line with forecasts. We have also managed to maintain staff commitment and morale by allocating some staff time to supporting the activities and development of Stapleford Granary.

The company has a particularly loyal customer base, which has stuck with us throughout the pandemic and is now keen to book tours again. Customer service has been emphasised throughout and any customer who has wished to receive a refund of cash has received it promptly.

Considerable effort has also been made over the past 15 months to stay in touch with customers. Partly through the excellent service provided by the bookings team and also through the continuation of our marketing efforts. We have continued to communicate with both existing and prospective customers, through digital media, such as e-news and the website, and in traditional print. In the absence of tours, we have concentrated on cultural and historical stories of interest, building an online community of interested participants. This has helped to remind customers that we are the longest established and most experienced cultural travel operator.

The board of trustees of the parent charity are committed to the long term retention of the Tours subsidiary. Whilst it is a trading subsidiary the aims of the tours it operates are closely aligned with the objects of the Charity. We feel that the company is well placed to respond to pent up demand as restrictions are lifted and has a successful and profitable future.

FINANCIAL REVIEW

The statement of financial activities (which covers the receipts and expenditure on operating our courses and trading activities) for the 12 months to 31 December 2020 shows the total income fell to £1,163,244 (2019 - £6,318,415). The net loss before revaluations and foreign exchange contract gains/losses was £682,987 (2019 - profit £16,607) after a total of £13,590 (2019 - £12,276) in grants and scholarships was disbursed during the period.

The net assets of the Accumulated Fund of the Charity as of 31 December 2020, as shown in the balance sheet, decreased by £736,560 during the period to a total of £7,601,702 (2019 - £8,338,262). This includes an impairment of the value of the trading subsidiaries of £710,000 which is expected to be temporary. The Charity continues to hold investments in government securities and shares with a market value of £3,008,614.

The Charity owns a subsidiary company, ACE Cultural Tours Limited, which in turn owns a subsidiary company ACE Cultural Tours (Transport) Limited. Total income of ACE Cultural Tours Limited for the 12 months to 31 December 2020 fell to £848,045 (2019 - £6,071,214). The loss for the year was £549,998 (2019 - profit £61,000) and a total of £NIL (2019 - £286,473 as restated) was donated by means of Gift Aid to the Charity. The net assets at the end of the year were £91,465 (2019 - £641,463 as restated). Total income of ACE Cultural Tours (Transport) Limited fell to £245,730 (2019 - £1,429,327) and the loss for the year was £65,910 (2019 - profit £58,198) and a total of £NIL (2019 - £49,745 as restated) was donated by means of Gift Aid to the Charity. The net liabilities of ACE Cultural Tours (Transport) Limited at year end were £5,237 (2019 - net assets £60,673).

Reserves policy

The policy of the Charity is to maintain reserves in order to provide for spending on the Charity's direct services, for strategic objectives, for security, and for capital accumulation. The trustees have reviewed the Charity's reserves policy and have resolved to retain as designated funds amounts representing those assets set aside for specific purposes with the balance as an unrestricted general reserve.

The Charity does not receive significant external funding and only by accumulation will it be possible to provide sufficient reserves to ensure the long-term success and expansion of the Charity's direct services and strategic

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objectives. The trustees aim to maintain a General Fund at a level and with such liquidity as to enable approximately twelve months of unrestricted charitable expenditure to be undertaken at any time. This would require a General Fund of in excess of £1m and the trustees intend to increase the current level of the General Fund from £683,000 to around this target. In light of the pandemic the trustees will review the reserves policy in 2021.

Strategic objectives include the continued development of Stapleford Granary and its innovative programme of courses and events for a wide range of ages and abilities, but with a specific focus on artist and expert practitioner development.

These objectives will likely require substantial investment in property and equipment in order to provide appropriate facilities. A Capital Fund represented by the Charity's investment portfolio is held for these purposes and the trustees would welcome a strengthening of this fund in future years.

Funds

The net assets are allocated to a General Fund, a Capital Fund, and a Property Fund.

Capital Fund

The Charity aims to strengthen the value of its Capital Fund in order to: (a) increase sustainably the value of grants awarded, from investment income, to individuals or organisations for the purposes or promoting educational cultural exchange (b) ensure the long-term security, success and expansion of the Charity's services and strategic objectives, in particular with regard to Stapleford Granary and related developments.

Property Fund

The Property Fund represents the net book value of the charity's freehold property, which comprises a distinguished range of former farm buildings at Stapleford Granary. The buildings have been converted to create a study centre for the arts, music and design and to provide office accommodation.

Investment powers and policy

Under the Memorandum and Articles of Association, the Charity has the freedom to invest in a wide variety of assets. The Charity manages a balanced and diversified portfolio. The requirements for capital growth and income are both recognised. We aim to maintain and increase the investment income available for charitable expenditure; in the long term this requires capital growth of the fund. Total return is thus seen as the best measure of performance. Annual performance reviews are conducted by the board, although performance evaluation is based on long-term rather than short-term considerations.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

At Stapleford Granary, the Charity aims to extend its provision of educational and participatory courses and events, providing greater accessibility and a combination of both international and local community involvement.

In summer 2017, we commenced the second phase of the main building works at Stapleford Granary. These were completed in June 2018 and have resulted in better provision for music and arts activities and improved visitor facilities. In 2019, former office space was converted into a dedicated music room, providing teaching, rehearsal, performance and development facilities, together with a green room for visiting musicians. The development of digital media is seen as a key element in both artistic development and education. We also aim to continue to improve the landscaping and outdoor amenities.

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In future years we hope to be able to open up Stapleford Granary to visitors on a daily basis, rather than just for specific events. We anticipate holding regular art exhibitions, together with informal talks and recitals, in order to engage a wider section of the community in the arts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Charity is a company limited by guarantee and is governed by the revised Memorandum and Articles of Association which were adopted on 29 January 2013. It is registered as an educational charity with the Charity Commission, number 279567.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

As set out in the Articles of Association, the chair of the board of trustees is elected from and by the directors (trustees). New trustees may be nominated by members of the existing board. In appointing new trustees the board has regard to the range of skills required by the Charity.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees normally have extensive existing knowledge of the workings of the Charity and its aims and objectives, whether via course participation, lecturing or administration. The Memorandum and Articles of Association are distributed to all trustees and efforts are made to provide up to date knowledge of the financial performance of the charity and obligations under charity and company law.

PAY POLICY FOR SENIOR STAFF

The Charity considers its key management personnel comprise the trustees and the General Secretary. The key management personnel of the Group comprise those of the Charity and the directors of the subsidiaries ACE Cultural Tours Limited and ACE Cultural Tours (Transport) Limited. They are in charge of directing and controlling the Group and running and operating the Group on a day-to-day basis. All trustees give their time for governance freely and one trustee received remuneration in the year in respect of course director's fees. Subsidiary directors are either employed by the company or self-employed. Details of the directors' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of the General Secretary and subsidiary directors are reviewed by the trustees annually. Salaries are periodically benchmarked to ensure that the remuneration set is fair and in line with that generally paid for similar roles.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Association for Cultural Exchange Limited is governed by the trustees, whose names are given on page 1. The board of trustees, which can have up to 10 members plus the General Secretary, governs the charity. The board typically meets three or four times per year. The General Secretary is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the General Secretary has delegated authority for operational matters as detailed by the Memorandum and Articles of Association. The Charity owns a subsidiary called ACE Cultural Tours Limited which provides educational courses and study tours and which itself wholly owns the subsidiary ACE Cultural Tours (Transport) Limited.

During the year an unsecured loan facility of £1m was made available to ACE Cultural Tours Limited from the Parent Charity. In the process of considering this loan and the terms of the facility, the trustees carefully considered the appropriate guidance from the Charity Commission as well as their obligations under the Charities Act 2011.

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RISK MANAGEMENT

The trustees and management have conducted a risk analysis and are satisfied that appropriate measures have been taken to mitigate those risks as far as possible. Emergency procedures and contingency plans have been improved. The trustees and management recognise the inherent volatility of educational travel and its potential impact on the profitability of the Charity's subsidiary, ACE Cultural Tours Limited, these include, among others, changes to exchange rates, rising travel costs, geo-political issues and environmental concerns. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

INFORMATION ON FUNDRAISING PRACTICES

The Charity does not currently rely on fundraising as a major source of income nor does it employ or engage professional fundraisers.

The Charity invites donations from the public by means of its printed and digital publications. Such publications do not target specific individuals.

A number of businesses have been approached by the Charity with a view to sponsoring various activities, such as concert series. We also engage with interested parties who have the capacity to support our work at significant levels, either in the form of donations or legacies.

The Charity does not currently receive funding from, or make applications to, other trusts and foundations, nor does it receive public subsidies. This may change in future years.

Should fundraising activities increase in the future, the Charity is committed to avoiding any intrusive fundraising approaches and will never apply undue pressure to donate.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of The Association for Cultural Exchange Limited for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Parent Charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Charity and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Parent Charity and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Christopher Mark Sanders
Trustee

Date: 10 August 2021

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED

OPINION

We have audited the financial statements of The Association for Cultural Exchange Limited (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Charity's affairs as at 31 December 2020 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the Group's or the parent charitable company's 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

OPINION 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION FOR CULTURAL
EXCHANGE LIMITED (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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, 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 auditors' 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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, ATOL (Air Travel Organiser's Licence), taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION FOR CULTURAL
EXCHANGE LIMITED (CONTINUED)**

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF OUR REPORT

This report is made solely to the trustees in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the trustees Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 trustees for our audit work, for this report, or for the opinions we have formed.

Michael Hewett

Michael Hewett (senior statutory auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road

Cambridge

CB1 2LA

13 August 2021

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:				
Donations and legacies	3	28,741	28,741	7,695
Charitable activities	4	35,508	35,508	90,976
Other trading activities	5	848,045	848,045	6,071,390
Investments	6	110,594	110,594	148,354
Other income	7	156,082	156,082	-
TOTAL INCOME		1,178,970	1,178,970	6,318,415
EXPENDITURE ON:				
Raising funds:	8,9			
Trading activities		1,570,716	1,570,716	5,868,125
Investment management		14,747	14,747	17,509
Charitable activities	11	276,494	276,494	416,174
TOTAL EXPENDITURE		1,861,957	1,861,957	6,301,808
NET (EXPENDITURE)/INCOME BEFORE NET GAINS ON INVESTMENTS		(682,987)	(682,987)	16,607
Net gains on investments		43,852	43,852	515,823
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(639,135)	(639,135)	532,430
OTHER RECOGNISED GAINS/(LOSSES):				
(Losses)/gains on forward foreign exchange contracts		-	-	(17,834)
NET MOVEMENT IN FUNDS		(639,135)	(639,135)	514,596
RECONCILIATION OF FUNDS:				
Total funds brought forward	23	8,327,060	8,327,060	7,812,464
Net movement in funds	23	(639,135)	(639,135)	514,596
TOTAL FUNDS CARRIED FORWARD	23	7,687,925	7,687,925	8,327,060

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 45 form part of these financial statements.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00604757

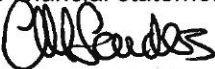
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	3,784,018	3,884,169
Investments	17	3,008,614	3,462,911
Investment property	16	161,000	161,000
		<u>6,953,632</u>	<u>7,508,080</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	19	150,914	528,490
Cash at bank and in hand		1,413,394	1,915,440
		<u>1,564,308</u>	<u>2,443,930</u>
Creditors: amounts falling due within one year	20	(784,182)	(1,624,950)
NET CURRENT ASSETS		<u>780,126</u>	<u>818,980</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,733,758</u>	<u>8,327,060</u>
Creditors: amounts falling due after more than one year	21	(45,833)	-
TOTAL NET ASSETS		<u><u>7,687,925</u></u>	<u><u>8,327,060</u></u>
CHARITY FUNDS			
Unrestricted funds	23	7,687,925	8,327,060
TOTAL FUNDS		<u><u>7,687,925</u></u>	<u><u>8,327,060</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Christopher Mark Sanders
Trustee

Date: 10 August 2021

The notes on pages 19 to 45 form part of these financial statements.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 00604757

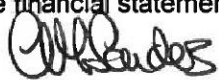
**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	As restated 2019 £
FIXED ASSETS			
Tangible assets	15	3,748,645	3,810,974
Investments	17	3,008,614	4,172,911
Investment property	16	161,000	161,000
		6,918,259	8,144,885
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	19	500,000	-
Debtors: amounts falling due within one year	19	79,174	23,005
Cash at bank and in hand		152,044	267,444
		731,218	290,449
Creditors: amounts falling due within one year	20	(47,779)	(97,076)
NET CURRENT ASSETS		683,439	193,373
TOTAL ASSETS LESS CURRENT LIABILITIES		7,601,698	8,338,258
TOTAL NET ASSETS		7,601,698	8,338,258
CHARITY FUNDS			
Unrestricted funds	23	7,601,698	8,338,258
TOTAL FUNDS		7,601,698	8,338,258

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Christopher Mark Sanders

Trustee

Date: 10 August 2021

The notes on pages 19 to 45 form part of these financial statements.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	24	<u>(1,102,439)</u>	<u>(48,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		117,720	148,354
Purchase of tangible fixed assets		(15,476)	(110,692)
Net proceeds from/(additions to) investments		<u>498,149</u>	<u>(78,265)</u>
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>600,393</u>	<u>(40,603)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Gain/(loss) on forward foreign exchange contract		-	(17,834)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>(17,834)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(502,046)	(106,718)
Cash and cash equivalents at the beginning of the year		<u>1,915,440</u>	2,022,158
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	<u><u>1,413,394</u></u>	<u><u>1,915,440</u></u>

The notes on pages 19 to 45 form part of these financial statements

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Charity is a company limited by guarantee. The members of the Charity are the trustees named on page 1. If the Charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) second edition - October 2019 (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Association for Cultural Exchange Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 GOING CONCERN

During the year the impact of global and UK government restrictions as a result of the Covid-19 crisis has led to the temporary curtailment of all tours by its subsidiary, ACE Cultural Tours Limited, and charitable activities at Stapleford Granary. At the time these financial statements were approved the UK Government has introduced a traffic light system and these early stages of safe international travel resumption do provide reason for optimism that destinations will become available and a steady resumption of tour operating activity will be possible.

In the light of these circumstances, the Board have prepared and approved revised budgets and cashflow projections up until 31 December 2025 and beyond. The Board have significantly increased the number of domestic tours as the forecasts include assumptions on domestic and international travel resuming at significantly reduced volumes in late 2021 and with the volume of international travellers not returning to historic levels until 2024. In June 2020 the trustees considered and approved a loan to ACE Cultural Tours Limited from the Charity. In addition, the trustees have committed to additional capital expenditure to extend the Charity's offering at Stapleford Granary. The trustees' have stress tested the forecasts based on a number of scenarios including the impact of further lockdowns.

As a result it has made plans to ensure the Group continues as a going concern. These include bank loans of £50,000 in its subsidiary to allow it to meet its liabilities as they fall due. These include the ability to return to its customers all deposits received in advance and reduce its cost base. The Charity has significant property assets and in the case of further lockdowns could implement include cost savings and drawdowns from its investment portfolio.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.2 GOING CONCERN (CONTINUED)

On the basis of their review, the trustees have a reasonable expectation that the Group will continue in operational existence and have sufficient resources to meet its liabilities as they fall due for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 INCOME

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Performance and event income from ticket sales is recognised on the date of the performance. Income received in respect of events commencing in later years is deferred and included within creditors as deposits received in advance.

Course fee income represents net course fees receivable in respect of courses provided during the year. Tours are recognised in the year in which the tour commences. Income received in respect of Tours commencing in later years is deferred and included within creditors as deposits received in advance.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Donation income is recognised when received or before receipt if it becomes reasonably certain that the donation will be received and the value of the income can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Group has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Group, or the Group is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Trading costs are those incurred on the Group's study courses. Costs of generating funds comprise costs associated with managing the investment portfolio.

Charitable activities are costs incurred on the Group's educational operations, performances, and events, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Group and include central costs. Governance costs are those incurred in connection with administration of the Group and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Irrecoverable VAT is included as an expense within support costs.

2.6 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 1% straight line on the buildings element
Assets under construction	- Not depreciated
Plant and machinery	- Straight line over 10-15 years
Fixtures and fittings	- Straight line over 10 years
Office equipment	- Straight line over 3 or 5 years
Musical instruments	- Straight line over 25 years

Freehold land is not depreciated. A proportion of salary costs relating to time spent on capital projects is capitalised annually.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

2.8 INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment property is carried at fair value determined annually by the trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 DEBTORS

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

2.10 CASH AT BANK AND IN HAND

Cash at bank and 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.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.11 CREDITORS AND PROVISIONS

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group 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.

The Group uses forward exchange contracts to reduce exposure to foreign exchange risks and as such consider these to be 'hedges'. Gains and losses on instruments used for hedging are recognised at fair value at the end of the year with changes in fair value recognised in the Consolidated Statement of Financial Activity.

2.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	28,741	28,741	7,695
	<u>28,741</u>	<u>28,741</u>	<u>7,695</u>
TOTAL 2019	<u>7,695</u>	<u>7,695</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Performances and events	35,508	35,508	90,976
	<u>35,508</u>	<u>35,508</u>	<u>90,976</u>
TOTAL 2019	<u>90,976</u>	<u>90,976</u>	

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Study tours	848,045	848,045	6,071,390
	<u>848,045</u>	<u>848,045</u>	<u>6,071,390</u>
TOTAL 2019	<u>6,071,390</u>	<u>6,071,390</u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	52,431	52,431	52,128
Investment income	57,335	57,335	93,949
Bank interest	828	828	2,277
	<u>110,594</u>	<u>110,594</u>	<u>148,354</u>
TOTAL 2019	<u>148,354</u>	<u>148,354</u>	

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Government grants	156,082	156,082	-

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff for the Charity (£25,785) and its subsidiary ACE Cultural Tours Limited (£130,297).

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. EXPENDITURE ON RAISING FUNDS

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tour expenses	830,422	830,422	4,726,967
Other trading expenses	53,039	53,039	320,394
Wages and salaries	565,010	565,010	672,555
National insurance	47,589	47,589	66,613
Pension costs	36,834	36,834	45,837
Depreciation	37,822	37,822	35,759
	<u>1,570,716</u>	<u>1,570,716</u>	<u>5,868,125</u>
TOTAL 2019	<u>5,868,125</u>	<u>5,868,125</u>	

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees	13,236	13,236	15,684
Staff time spent managing investments	1,511	1,511	1,825
	<u>14,747</u>	<u>14,747</u>	<u>17,509</u>
TOTAL 2019	<u>17,509</u>	<u>17,509</u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. ANALYSIS OF GRANTS

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £	Total funds 2019 £
Grants, Educational grants	2,810	10,780	13,590	12,276
TOTAL 2019	12,276	-	12,276	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Performances and events	116,123	-	146,781	262,904	399,262
Education	-	13,590	-	13,590	16,912
TOTAL 2020	116,123	13,590	146,781	276,494	416,174
TOTAL 2019	197,526	12,276	206,372	416,174	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Performances and events 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	65,890	65,890	76,670
Event expenses	34,032	34,032	75,241
Staff expenses	-	-	1,375
Printing, stationery, newsletters and course promotion	2,686	2,686	32,274
Computer expenses	10,966	10,966	9,283
Bank charges	2,534	2,534	2,683
Currency (gain)/loss	15	15	-
TOTAL 2020	116,123	116,123	197,526
TOTAL 2019	197,526	197,526	

Analysis of support costs and governance costs

	Performances and events 2020 £	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	23,213	-	23,213	29,781
Printing, stationery, newsletters and promotion	(125)	-	(125)	2,001
Audit and accountancy fees	12,102	-	12,102	10,607
Administration, finance and IT	20,074	-	20,074	78,145
Depreciation	77,805	-	77,805	70,735
Professional fees and costs	13,712	-	13,712	15,103
	146,781	-	146,781	206,372
TOTAL 2019	201,736	4,636	206,372	

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. AUDITORS' REMUNERATION

	2020 £	2019 £
Auditor's remuneration - audit	9,900	11,000
Auditor's remuneration - other services	<u>7,100</u>	<u>10,215</u>

Auditors' remuneration - other services for the Group include fees for other assurance services of £1,250 (2019 - £1,500).

The audit fee for the Charity was £4,650 (2019 - £6,000). Non-audit services for the Charity were £3,000 (2019 - £3,231).

14. STAFF COSTS

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	643,113	766,206	78,103	93,651
Social security costs	54,983	75,737	7,394	9,124
Contribution to defined contribution pension schemes	41,951	51,338	5,117	5,501
	<u>740,047</u>	<u>893,281</u>	<u>90,614</u>	<u>108,276</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2020 No.	Group 2019 No.	Charity 2020 No.	Charity 2019 No.
Charitable activities	2	2	3	3
Trading	22	23	-	-
	<u>24</u>	<u>25</u>	<u>3</u>	<u>3</u>

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14. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	-	1

The Group considers its key management personnel comprise the trustees and the General Secretary. The key management personnel of the Group comprise those of the Charity and the directors of the wholly owned subsidiaries ACE Cultural Tours Limited and ACE Cultural Tours (Transport) Limited.

One trustee (2019 - one) received remuneration during the period in respect of course director's fees totalling £5,516 (2019 - £18,724).

The total employment benefits including employer's national insurance and pension contributions of the key management personnel for the Group was £174,930 (2019 - £231,343) and for the Charity was £30,228 (2019 - £36,497).

Trustee expenses reimbursed during 2020 totalled £77 (2019 - £nil).

15. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Plant and machinery £	Fixtures, fittings and instruments £	Total £
COST OR VALUATION				
At 1 January 2020	3,552,582	257,600	531,731	4,341,913
Additions	-	-	15,476	15,476
At 31 December 2020	3,552,582	257,600	547,207	4,357,389
DEPRECIATION				
At 1 January 2020	148,538	26,912	282,294	457,744
Charge for the year	31,525	17,941	66,161	115,627
At 31 December 2020	180,063	44,853	348,455	573,371

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15. TANGIBLE FIXED ASSETS (CONTINUED)

GROUP (CONTINUED)

	Freehold property £	Plant and machinery £	Fixtures, fittings and instruments £	Total £
NET BOOK VALUE				
At 31 December 2020	3,372,519	212,747	198,752	3,784,018
At 31 December 2019	3,404,044	230,688	249,437	3,884,169

CHARITY

	Freehold property £	Plant and machinery £	Fixtures, fittings and instruments £	Total £
COST OR VALUATION				
At 1 January 2020	3,552,582	257,600	256,189	4,066,371
Additions	-	-	15,476	15,476
At 31 December 2020	3,552,582	257,600	271,665	4,081,847
DEPRECIATION				
At 1 January 2020	148,538	26,912	79,947	255,397
Charge for the year	31,525	17,941	28,339	77,805
At 31 December 2020	180,063	44,853	108,286	333,202
NET BOOK VALUE				
At 31 December 2020	3,372,519	212,747	163,379	3,748,645
At 31 December 2019	3,404,044	230,688	176,242	3,810,974

Included in freehold property held by the charity is freehold land at an estimated cost of £400,000 (2019: £400,000), which is not depreciated.

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16. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 January 2020	161,000
At 31 December 2020	161,000

Charity

	Freehold investment property £
VALUATION	
At 1 January 2020	161,000
At 31 December 2020	161,000

Investment property is carried at fair value determined annually by the trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

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17. FIXED ASSET INVESTMENTS

Group	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION			
At 1 January 2020	3,421,177	41,734	3,462,911
Additions	1,469,006	-	1,469,006
Disposals	(2,173,921)	-	(2,173,921)
Revaluations	206,001	-	206,001
Movement in the year	-	44,617	44,617
AT 31 DECEMBER 2020	2,922,263	86,351	3,008,614
NET BOOK VALUE			
AT 31 DECEMBER 2020	2,922,263	86,351	3,008,614
AT 31 DECEMBER 2019	3,421,177	41,734	3,462,911

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17. FIXED ASSET INVESTMENTS (CONTINUED)

Charity	Investments in subsidiary companies £	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION				
At 1 January 2020	710,000	3,421,177	41,734	4,172,911
Additions	-	1,469,006	-	1,469,006
Disposals	-	(2,173,921)	-	(2,173,921)
Revaluations	-	206,001	-	206,001
Transfers intra group	-	-	44,617	44,617
AT 31 DECEMBER 2020	710,000	2,922,263	86,351	3,718,614
IMPAIRMENT				
Charge for the year	710,000	-	-	710,000
AT 31 DECEMBER 2020	710,000	-	-	710,000
NET BOOK VALUE				
AT 31 DECEMBER 2020	-	2,922,263	86,351	3,008,614
AT 31 DECEMBER 2019	710,000	3,421,177	41,734	4,172,911

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17. FIXED ASSET INVESTMENTS (CONTINUED)

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

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18. PRINCIPAL SUBSIDIARIES

ACE Cultural Tours Limited (07058084)

The company owns 100% of the ordinary share capital of ACE Cultural Tours Limited, an operator of cultural tours. A summary of the results of the subsidiary undertaking, ACE Cultural Tours Limited is set out below:

Audited financial statements will be filed with the Registrar of Companies.

	2020	As restated
	£	2019
		£
Turnover	848,045	6,071,214
Cost of sales	(877,319)	(4,969,256)
	(29,274)	1,101,958
Administrative expenses	(770,320)	(1,282,067)
Other operating income	256,297	257,176
Net interest (payable)/receivable	(6,701)	1,767
(Loss)/gain on financial instruments	-	(17,834)
	(520,724)	(1,040,958)
Tax on ordinary activities	-	-
Profit for the year	(549,998)	61,000
Net assets brought forward	641,463	866,936
(Loss)/Profit for the year	(549,998)	61,000
Gifted charitable donation to The Association For Cultural Exchange Limited	-	(286,473)
Net assets carried forward	91,465	641,463

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ACE Cultural Tours (Transport) Limited (07058069)

ACE Cultural Tours Limited owns 100% of the ordinary share capital of ACE Cultural Tours (Transport) Limited, a provider of transport services to ACE Cultural Tours Limited. A summary of the results of the subsidiary undertaking, ACE Cultural Tours (Transport) Limited is set out below:

Audited financial statements will be filed with the Registrar of Companies.

	2020 £	As restated 2019 £
Turnover	245,730	1,429,327
Cost of sales	(191,379)	(1,113,184)
	<u>54,351</u>	<u>316,143</u>
Administrative expenses	(120,261)	(257,945)
	<u>(120,261)</u>	<u>(257,945)</u>
Tax on ordinary activities	-	-
Profit for the year	<u>(65,910)</u>	<u>58,198</u>
Net assets brought forward	60,673	52,220
(Loss)/Profit for the year	(65,910)	58,198
Gifted charitable donation to The Association For Cultural Exchange Limited	-	(49,745)
Net (liabilities)/assets carried forward	<u><u>(5,237)</u></u>	<u><u>60,673</u></u>

IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES

As a result of the Covid-19 pandemic the activities in the subsidiaries were curtailed in Spring 2020. Both companies made significant trading losses during the year ended 31 December 2020 and the net assets of the subsidiary group as at this date was £86,227. Further losses are forecast for the year to 31 December 2021 and as outlined in notes 2.2 and 28 whilst the directors of the subsidiaries have but in place financial measures to ensure the Group can continue as a going concern, trading levels and the ability to make future distributions to the parent Charity are not expected before 2025. As a result, at 31 December 2020 the trustees have temporarily impaired the carrying value of the investment in its subsidiaries until as expected, they return to profitability and pre-pandemic trading levels. The subsidiaries had previously been valued in the accounts at the original cost.

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19. DEBTORS

	Charity 2020 £	Charity 2019 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	500,000	-

The balance due after more than one year represents the first instalment of a £1,000,000 loan advanced to the Charity's trading subsidiary, ACE Cultural Tours Limited. The second instalment is due to be advanced on 30 June 2021. The interest rate is 3% per annum. The loan and any unpaid interest are repayable in full on 30 June 2026. The loan is unsecured.

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity As restated 2019 £
DUE WITHIN ONE YEAR				
Trade debtors	5,372	1,894	5,372	1,894
Amounts owed by group undertakings	-	-	18,299	17,017
Other debtors	78,392	34,512	52,682	1,495
Prepayments and accrued income	32,092	492,084	2,821	2,599
Tax recoverable	35,058	-	-	-
	150,914	528,490	79,174	23,005

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans	4,167	-	-	-
Trade creditors	21,620	67,257	12,836	13,289
Other taxation and social security	17,459	40,518	2,414	14,713
Other creditors	21,483	41,058	3,000	3,000
Accruals and deferred income	719,453	1,472,867	29,529	62,824
Grants accrued - individual	-	3,250	-	3,250
	784,182	1,624,950	47,779	97,076

In July 2020, a £50,000 bounce back loan was obtained. Interest is charged at 2.5% per annum. For the first 12 months, interest is settled by the UK Government and no repayments of capital are due. After 12 months, interest and capital repayments are due in equal monthly instalments over a 5-year period. The loan is due to be settled in full by July 2026. The ageing analysis of this loan is disclosed in note 21.

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20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Deferred income at 1 January 2020	1,371,553	1,263,229	12,490	10,166
Resources deferred during the year	655,567	1,371,553	2,406	12,490
Amounts released from previous periods	(1,371,553)	(1,263,229)	(12,490)	(10,166)
	<u>655,567</u>	<u>1,371,553</u>	<u>2,406</u>	<u>12,490</u>

The Group receives income in advance of future tours, which is carried forward and recognised on the dates the tours depart. Ticket sales in respect of future courses and events are also carried forward and recognised on the dates the events take place.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £	Group 2019 £
Bank loans	<u>45,833</u>	<u>-</u>
Included within the above are amounts falling due as follows:		
BETWEEN ONE AND TWO YEARS		
Bank loans	<u>10,000</u>	<u>-</u>
BETWEEN TWO AND FIVE YEARS		
Bank loans	<u>30,000</u>	<u>-</u>
OVER FIVE YEARS		
Bank loans	<u>5,833</u>	<u>-</u>

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22. GRANTS ACCRUED

	2020	2019
	£	£
Grants accrued b/fwd	3,250	10,000
Grants committed	13,590	3,250
Grants paid	(16,840)	(10,000)
Grants accrued c/fwd	-	3,250

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23. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital Fund	3,462,911	-	-	(498,149)	43,852	3,008,614
Property Fund	3,971,974	-	(77,805)	15,476	-	3,909,645
	<u>7,434,885</u>	<u>-</u>	<u>(77,805)</u>	<u>(482,673)</u>	<u>43,852</u>	<u>6,918,259</u>
GENERAL FUNDS						
General Fund	190,040	200,203	(213,436)	506,632	-	683,439
Subsidiary Fund	702,135	978,767	(1,570,716)	(23,959)	-	86,227
	<u>892,175</u>	<u>1,178,970</u>	<u>(1,784,152)</u>	<u>482,673</u>	<u>-</u>	<u>769,666</u>
TOTAL UNRESTRICTED FUNDS	<u>8,327,060</u>	<u>1,178,970</u>	<u>(1,861,957)</u>	<u>-</u>	<u>43,852</u>	<u>7,687,925</u>

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23. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital Fund	2,868,823	-	-	78,265	515,823	3,462,911
Property Fund	3,813,538	-	(49,247)	31,441	-	3,795,732
	<u>6,682,361</u>	<u>-</u>	<u>(49,247)</u>	<u>109,706</u>	<u>515,823</u>	<u>7,258,643</u>
GENERAL FUNDS						
General Fund	210,148	245,258	(384,436)	295,312	-	366,282
Subsidiary Fund	919,955	6,073,157	(5,868,125)	(405,018)	(17,834)	702,135
	<u>1,130,103</u>	<u>6,318,415</u>	<u>(6,252,561)</u>	<u>(109,706)</u>	<u>(17,834)</u>	<u>1,068,417</u>
TOTAL UNRESTRICTED FUNDS	<u>7,812,464</u>	<u>6,318,415</u>	<u>(6,301,808)</u>	<u>-</u>	<u>497,989</u>	<u>8,327,060</u>

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DESIGNATED FUNDS

Capital Fund

The Charity aims to strengthen the value of its Capital Fund in order to increase sustainably the value of grants awarded from investment income, to individuals or organisations for the purposes of promoting educational cultural exchange, whilst ensuring the long term security, success and expansion of the Charity's services and strategic objectives. The transfer out of this fund during the year represents the net drawdown and investment management fees incurred in the year.

Property Fund

This fund represents the net book value of the Charity's freehold and investment property, including plant. The transfer from General Funds represents the additions in the year.

Subsidiary Funds

This fund represents the net assets held in the subsidiaries ACE Cultural Tours Limited and ACE Cultural Tours (Transport) Limited.

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(639,135)	532,430
ADJUSTMENTS FOR:		
Depreciation charges	115,627	106,494
Losses/(gains) on investments	(43,852)	(515,823)
Dividends, interests and rents from investments	(117,720)	(148,354)
Decrease/(increase) in debtors	377,576	(61,022)
Increase/(decrease) in creditors	(794,935)	37,994
NET CASH USED IN OPERATING ACTIVITIES	(1,102,439)	(48,281)

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25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £
Cash in hand	1,413,394	1,915,440
TOTAL CASH AND CASH EQUIVALENTS	1,413,394	1,915,440

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,915,440	(502,046)	1,413,394
Debt due within 1 year	-	(4,167)	(4,167)
Debt due after 1 year	-	(45,833)	(45,833)
	1,915,440	(552,046)	1,363,394

27. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £41,951 (2019 - £51,338). Contributions totalling £NIL (2019 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

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28. RELATED PARTIES AND PRIOR YEAR ADJUSTMENT

During the year, the Charity recharged its subsidiary, ACE Cultural Tours Limited, £19,500 (2019 - £34,000) in respect of rent, heat, light and power expenses. During the year the Charity was charged by its subsidiary, ACE Cultural Tours Limited, £6,000 (2019 - £6,000) in respect of office support costs. As a result of the Covid-19 pandemic the Charity made an unsecured loan available to ACE Cultural Tours Limited of £1,000,000 of which £500,000 was drawn during the year. The loan incurs interest at a rate of 3% per annum and £7,126 was charged during the year. The loan is due for repayment by 30 June 2026 but may be repaid by the subsidiary at any point prior to this date at the discretion of the subsidiary's directors.

A balance of £518,273 (2019 - £16,904 as restated) was due from the subsidiary at 31 December 2020.

The 2019 accounts included an accrual for a distribution to be made under a deed of covenant from its subsidiary ACE Cultural Tours Limited of £116,809. It was subsequently identified that the deed of covenant was never executed and the accrual incorrectly made at the balance sheet date. Consequently, the distributions in 2018 and 2019 have been restated and accounted for when paid in 2019 and 2020 respectively.

The 2019 accounts included an accrual for a distribution to be made under a deed of covenant from its subsidiary ACE Cultural Tours (Transport) Limited of £58,198. It was subsequently identified that the deed of covenant was never executed and the accrual incorrectly made at the balance sheet date. Consequently, the distributions in 2018 and 2019 have been restated and accounted for when paid in 2019 and 2020 respectively.

A balance of £26 (2019 - £113 as restated) was outstanding as at 31 December 2020.

One (2019 - one) trustee (director) received remuneration for services rendered in their capacity as course director and this is disclosed in note 12.