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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021**

Trustees	Christopher Mark Sanders, Chair Christine Anne Berry John Bryden David Martin Sandra Toni Moses
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 2021

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/the Charity) for the year ended 31 December 2021. 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 facilitated by the Granary 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.

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.

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

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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.

During 2022 a café will be opened using part of the existing general office space.

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.

In 2021 Stapleford Granary saw a year of highly successful new public benefit initiatives. This year marks the beginning of our phased transition from a Study Centre to a vibrant Arts Centre that benefits the wider health of communities and offers a public space that truly enriches the area we inhabit. We have sought more ways to bring the Arts to more people with increased free activities, resources, events and exhibitions alongside an expanding, inspirational concert programme. Our newly defined 'culturally curious' brand underpins all that we do, whether we are facilitating artist residencies, hosting outstanding musical performances, giving space and voice to local craftspeople or conversing with audiences.

January 2021 saw the launch of our new YouTube channel with high quality cultural content (all filmed in-house) including stand-out musical performances, artist interviews and our own feature videos. Highlights include 'Faces of Clay', a 12-minute profile of acclaimed British sculptor John Mills (shot on location) and 'Making the Piano Sing', a 22-minute film on the piano music of little-known French composer Hélène de Montgeroult performed by Ian Buckle and later released as an EP. In 12 months, we created and released 14 films, quickly amassing over 250 subscribers and the films have been viewed over 11,000 times. An entirely not-for-profit venture, the channel was used to showcase artist work, give voice to lesser known composers and maintain contact with our audiences during lockdowns.

A stand-out feature of 2021 has been the creation of outdoor events in the courtyard under a 300 square metre stretch tent. This beautiful bespoke structure (purchased as a result of a donation) has enabled us to open up the Granary to a far more diverse audience and a wider demographic. On 4th July we hosted our first ever Village Day, responding to local need for an opportunity for people to come back together in a safe, friendly environment. Under careful covid regulations, we welcomed 800 visitors to the site who enjoyed a free day of live music and theatre from 53 performers, 12 craft stalls showcasing the work of local artists and Makers, community collaborations, children's activities and pop-up food.

'We loved chatting to the artists and learning how they create their products'

'A wonderful day for all ages...this is what an arts centre is for...more of this please'

(visitor feedback)

From July onwards, we were able to open up once more for public concerts under strict covid guidelines. Operating mostly at 50% capacity, we hosted concerts from outstanding artists including jazz musicians Sara Dowling, Deschanel Gordon, Bill Laurance, Ant Law and Dennis Rollins, guitarists Craig Ogden and Gary Ryan, pianist Lara Melda, accordionist Samuele Telari, cabaret singer Jessica Walker, chamber musicians Pixels Ensemble, Piatti Quartet, Goldfield Ensemble and Brodsky Quartet and soprano Elizabeth Llewellyn. Folk music performances included Rura, Fara and She'Koyokh. We launched a new and very popular programme of events for families and younger audiences with Theatre of Widdershins (Elves and the Shoemaker) and Peter Clifford's Magic Show. Our first ticketed outdoor concert under the tent was given by folk band Breabach on 6th August and was an overwhelming sold-out success.

Conversation remains a very important part of our educational work at the Granary, contributing to the friendly atmosphere and the 'culturally curious' brand. A popular new addition to the classical concerts has been the

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introduction of relaxed and informative pre-concert talks, usually given by CEO Kate Romano, offering insights into some of the repertoire performed. All performing musicians at the Granary talk knowledgeably to our audiences about the music they perform; we do not have any paper programmes. A newly established blog on the website contains additional features on the programmes and artists who visit the Granary.

August was devoted to artist residencies. This new initiative allows artists free use of space and quiet uninterrupted time at the Granary to develop work, collaborate and test ideas and practices. Over 25 artists of different disciplines held residencies with us in 2021, including visual artist Issam Kourbaj, vocal ensemble Musica Secreta, cellist Clare O'Connell, folk musicians Paddi Benson and Grace Lemon, composer Ian Chambers with violinist Chihiro Ono and composer Anna Semple with dancer Emily Collinson. We have been delighted to see how much of this work which took root at the Granary has quickly gone on to be exhibited, recorded, performed and developed for the public, demonstrating a strong need for this light-touch residency scheme.

Within covid restrictions, adult education art courses at the Granary started to operate again halfway through the year. Our first art exhibition of 2021 took place from October to November. It featured the extraordinary textiles of Sabine Kaner whose work tells the stories of the Windrush generation. Free to enter, it brought many new visitors to the Granary who enjoyed the textiles, artist talks, films and blogs.

From the Sabine Kaner visitor book

'Thought-provoking'

'An eye-opener'

'Inspiring work'

'Stunning exhibition, totally unexpected and always surprising'

'Amazingly powerful and unforgettable'

For Christmas at the Granary we programmed three candle-lit Bach concerts and a free-to-enter outdoor Christmas Market (18th December). Once more, we attracted around 800 visitors to the site who enjoyed carol singing and live music, Christmas trees, 25 craft stalls (including pottery, weaving, wood carving, floristry, textiles), children's activities and pop-up food and drink.

Plans for 2022

The most significant change in 2022 will be the transition from a site that is only open to the public for occasional events to one that is open daily. This will impact in many ways on all three of our key audiences (artists, public, our people). In 2022, we will invest in staffing (two new roles: a new business manager role and a marketer). Plans for internal modifications of the site include the creation of an ancillary café for the use of artists and audiences and to generate value-for-time experiences for visitors. With reading materials, creative ideas for children, artist displays and live music, the café will be a cultural experience in its own right as well as a gateway to other propositions.

We will facilitate longer-term leases on the Stable Block studios for artists. We envisage a mutually beneficial arrangement with options for collaboration between the Granary and artists as well as an attractive offer for visitors, helping to increase footfall and provide low-risk cultural engagement. Based on activity and trends in 2021, we project a steady increase of facility hires (artists at a subsidised charity rate and commercial hires) which will help us to expand our network and contribute to our sustainability.

We aim to increase the number of concerts held per year to 70 (approximately doubling the number of events since 2019, the last full year of activity) using our wide professional network to bring in the finest musicians in

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classical, folk and jazz. This enhanced offer will be used to build a wider and more diverse audience for the Granary over the next three years.

We aim to host single artist exhibitions in 2022 as well as mixed-artist exhibitions, working collaboratively with galleries and as curators ourselves. We will also work closely with ACE Cultural Tours to create combined cultural products, sharing our expertise, networks and resources and aiming to bring more people to the Granary and new travellers to Tours.

Despite the enormous financial and logistical challenges of 2021, our aim is to remain flexible, responsive and able to represent the people and needs of our communities as we grow towards a new sustainable and exciting future.

Grant making policy

As outlined in the Public Benefit section above, the mainstay of charitable activities is the provision of facilities and access to events at no or reduced cost. However the Charity will consider applications for funding of projects relevant to its objectives 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.

Trading Subsidiaries

The Charity owns a trading subsidiary ACE Cultural Tours Limited which in turn owns a subsidiary, ACE Cultural Tours (Transport) Limited. ACE Cultural Tours runs tours and courses for groups covering a range of cultural and educational topics which complement the objectives of the Charity. ACE Cultural Tours (Transport) Limited purchases transport services for the tours company. Since the United Kingdom has left the European Union the purpose of the transport company has become marginal and it is anticipated that it will cease trading in the course of 2022 or 2023 and may be dissolved.

During 2021 some tours were able to operate, particularly in the later part of the year. The volume operated was approximately 25% of the pre-Covid levels. To further mitigate risk, an emphasis has been placed on tours within the UK and destinations beyond Europe were minimised. Bookings for 2022 will return to around 70% of pre-Covid levels and, in the absence of further disruption, a steady return to historic volumes is anticipated by 2024.

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 remained engaged 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 two years 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. We feel that the company is well placed to respond to pent up demand for travel as restrictions are lifted and can look forward to a successful and profitable future.

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FINANCIAL REVIEW

The statement of financial activities for the 12 months to 31 December 2021 shows the total income increased to £1,671,029 (2020 - £1,178,970). Income from the charity's performance events and the trading subsidiary's study tours both showed small increases. The net loss before revaluations was £345,440 (2020 - loss £682,987) after a total of £29,920 (2020 - £13,590) in grants and scholarships was dispersed during the period.

The net assets of the Charity as of 31 December 2021, as shown in the balance sheet, decreased by £49,471 during the period to a total of £7,651,169 (2020 - £7,601,702). The Charity continues to hold investments in government securities and shares with a market value of £2,736,733.

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 2021 rose to £1,375,365 (2020 - £848,045). The loss for the year was £160,615 (2020 - loss £549,998) and a total of £NIL (2020 - £NIL) was donated by means of Gift Aid to the Charity. The net liabilities at the end of the year were £69,150 (2020 net assets - £91,465). Total income of ACE Cultural Tours (Transport) Limited fell to £71,734 (2020 - £245,730) and the profit for the year was £8,965 (2020 - loss £65,910) and a total of £NIL (2020 - £NIL) was donated by means of Gift Aid to the Charity. The net assets of ACE Cultural Tours (Transport) Limited at year end were £3,728 (2020 - net liabilities £5,237).

The net assets of the Group as of 31 December 2021, as shown in the balance sheet, decreased to a total of £7,585,746. All funds held are unrestricted.

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 objectives. Furthermore the financial impact of Covid-19 on the Charity's trading subsidiary ACE Cultural Tours has been substantial. Given normal trading conditions this subsidiary gift-aids its profit to the Charity which provides much of the liquidity to support public benefit projects. The trustees aim to maintain free reserves at a level and with such liquidity as to enable approximately 12 months of unrestricted charitable expenditure which is forecast to be in the region of £500,000.

FUNDS

The net assets are allocated to a Subsidiary Support Fund, a Capital Fund and a Property Fund. The balance is the Charity's free reserves.

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 of 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

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a study centre for the arts, music and design and to provide office accommodation.

Subsidiary Support Fund

This fund represents the carrying value of long-term loans made to its subsidiary ACE Cultural Tours Limited which is not freely available to the Charity. The loan insures the long term security and return to pre-pandemic levels of the subsidiary's activities.

At the year end the Charity had total funds of £7,651,169. The Capital Fund stands at £2,736,733 and the Property Fund at £3,858,213.

At the year end the Charity had designated £1,000,000 to provide support to its trading subsidiary to the extent that the Trustees deem in the best interests of the overall Group to do so.

This leaves free reserves at £56,223 at 31 December 2021 and the Trustees expect this to continue to be depleted until the subsidiary returns to profitability and restarts paying dividends in the next 2-3 years.

Investment powers and policy

Under the Memorandum and Articles of Association, the Charity has the freedom to invest in a wide variety of assets. Together with external advisers, 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.

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, the CEO of Stapleford Granary 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

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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 2020 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.

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.

The trustees are reviewing their approach to risk assessment including their reserves policy during 2022.

Information on Fund Raising 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.

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TRUSTEES' REPORT (CONTINUED)
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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 are included in 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are trustees at the time when this 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:

C M Sanders

Christopher Mark Sanders
Trustee

Date: 23 June 2022

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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 2021 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 2021 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:

- 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

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)**

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

23 June 2022

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 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations and legacies	4	4,059	4,059	28,741
Charitable activities	5	42,720	42,720	35,508
Other trading activities	6	1,382,806	1,382,806	848,045
Investments	7	121,436	121,436	110,594
Other income	8	120,008	120,008	156,082
TOTAL INCOME		1,671,029	1,671,029	1,178,970
EXPENDITURE ON:				
Raising funds:	9,10			
Trading activities		1,588,655	1,588,655	1,570,716
Investment management		10,647	10,647	14,747
Charitable activities	12	417,167	417,167	276,494
TOTAL EXPENDITURE		2,016,469	2,016,469	1,861,957
NET EXPENDITURE BEFORE NET GAINS ON INVESTMENTS		(345,440)	(345,440)	(682,987)
Net gains on investments		243,261	243,261	43,852
NET MOVEMENT IN FUNDS		(102,179)	(102,179)	(639,135)
RECONCILIATION OF FUNDS:				
Total funds brought forward		7,687,925	7,687,925	8,327,060
Net movement in funds		(102,179)	(102,179)	(639,135)
TOTAL FUNDS CARRIED FORWARD		7,585,746	7,585,746	7,687,925

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 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	16	3,709,836	3,784,018
Investments	18	2,736,733	3,008,614
Investment property	17	161,000	161,000
		<u>6,607,569</u>	<u>6,953,632</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	20	143,882	150,914
Cash at bank and in hand		1,764,773	1,413,394
		<u>1,908,655</u>	<u>1,564,308</u>
Creditors: amounts falling due within one year	21	(894,305)	(784,182)
NET CURRENT ASSETS		<u>1,014,350</u>	<u>780,126</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,621,919</u>	<u>7,733,758</u>
Creditors: amounts falling due after more than one year	22	(36,173)	(45,833)
TOTAL NET ASSETS		<u><u>7,585,746</u></u>	<u><u>7,687,925</u></u>
CHARITY FUNDS			
Unrestricted funds	24	7,585,746	7,687,925
TOTAL FUNDS		<u><u>7,585,746</u></u>	<u><u>7,687,925</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:

C M Sanders
Christopher Mark Sanders
Trustee

Date: 23 June 2022

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 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	16	3,697,213	3,748,645
Investments	18	2,736,733	3,008,614
Investment property	17	161,000	161,000
		<u>6,594,946</u>	<u>6,918,259</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	20	1,000,000	500,000
Debtors: amounts falling due within one year	20	13,708	79,174
Cash at bank and in hand		116,045	152,044
		<u>1,129,753</u>	<u>731,218</u>
Creditors: amounts falling due within one year	21	(73,530)	(47,779)
NET CURRENT ASSETS		<u>1,056,223</u>	683,439
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,651,169</u>	<u>7,601,698</u>
TOTAL NET ASSETS		<u><u>7,651,169</u></u>	<u><u>7,601,698</u></u>
CHARITY FUNDS			
Unrestricted funds	24	7,651,169	7,601,698
TOTAL FUNDS		<u><u>7,651,169</u></u>	<u><u>7,601,698</u></u>

The Charity's net movement in funds for the year was £49,471 (2020 - £(26,560)).

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:

C. M. Sanders
Christopher Mark Sanders
Trustee
Date: 23 June 2022

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 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	25	(248,570)	(1,102,439)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		121,436	117,720
Proceeds from the sale of tangible fixed assets		2,400	-
Purchase of tangible fixed assets		(39,029)	(15,476)
Net proceeds from/(additions to) investments		515,142	498,149
NET CASH PROVIDED BY INVESTING ACTIVITIES		599,949	600,393
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		351,379	(502,046)
Cash and cash equivalents at the beginning of the year		1,413,394	1,915,440
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	1,764,773	1,413,394

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 2021

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

The Covid-19 pandemic continued to have a significant impact on the operations of the Group during the year, particularly on its subsidiary, ACE Cultural Tours Limited. The trustees have reviewed group budgets and cashflow projections for the periods to 31 December 2025. These include assumptions on international travel remaining at reduced volumes throughout 2022 and 2023 with the volume of travellers not returning to historic levels until 2024. The trustees have taken measures to provide ACE Cultural Tours Limited with access to appropriate financial support over the past two years and it is forecast that it will return to profit in 2022.

In due course, it is expected that the subsidiary will be able to resume the gift aid of profits to the parent Charity.

In the meantime, and in addition, the financial position of the Charity will be supported by the increase of activities undertaken directly by the Charity at Stapleford Granary.

On the basis of the above review and taking into account the assets of the Charity built up over many years, the trustees consider that the Group will 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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.3 FUND ACCOUNTING (CONTINUED)

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 EXPENDITURE (CONTINUED)

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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.6 GOVERNMENT GRANTS

Government grants relating to staff costs 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 2021

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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Valuation of investment properties

Investment property, which is valued at £161,000 in the accounts, has been valued based on rental yields of properties with similar characteristics. The value derived using this method has been compared with the valuations of similar properties to ensure it is reasonable and proportionate.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	4,059	4,059	28,741
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2020	<u>28,741</u>	<u>28,741</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Performances and events	42,720	42,720	35,508
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2020	<u>35,508</u>	<u>35,508</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Open day	737	737	-

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bar and cafe sales	6,704	6,704	-
Study tours	1,375,365	1,375,365	848,045
	<u>1,382,069</u>	<u>1,382,069</u>	<u>848,045</u>
TOTAL 2020	<u>848,045</u>	<u>848,045</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	82,080	82,080	52,431
Investment income	39,270	39,270	57,335
Bank interest	86	86	828
	<u>121,436</u>	<u>121,436</u>	<u>110,594</u>
TOTAL 2020	<u>110,594</u>	<u>110,594</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants	120,008	120,008	156,082
	<u>120,008</u>	<u>120,008</u>	<u>156,082</u>
TOTAL 2020	<u>156,082</u>	<u>156,082</u>	

Government grants represent amounts receivable under Kickstart Scheme (Charity £6,554 (2020 - £NIL)) and the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff for the Charity (£21,547 (2020 - £25,785)) and its subsidiary ACE Cultural Tours Limited (£91,907 (2020 - £130,297)).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. EXPENDITURE ON RAISING FUNDS

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tour expenses	941,093	941,093	830,422
Other trading expenses	166,639	166,639	53,039
Wages and salaries	387,084	387,084	565,010
National insurance	40,188	40,188	47,589
Pension costs	30,902	30,902	36,834
Depreciation	22,749	22,749	37,822
	<u>1,588,655</u>	<u>1,588,655</u>	<u>1,570,716</u>
TOTAL 2020	<u>1,570,716</u>	<u>1,570,716</u>	

10. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	9,380	9,380	13,236
Staff time spent managing investments	1,267	1,267	1,511
	<u>10,647</u>	<u>10,647</u>	<u>14,747</u>
TOTAL 2020	<u>14,747</u>	<u>14,747</u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. ANALYSIS OF GRANTS

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £	Total funds 2020 £
Grants, Educational grants	13,030	16,890	29,920	13,590
TOTAL 2020	2,810	10,780	13,590	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Performances and events	197,211	-	184,612	381,823	262,904
Education	-	29,920	5,424	35,344	13,590
TOTAL 2021	197,211	29,920	190,036	417,167	276,494
TOTAL 2020	116,123	13,590	146,781	276,494	

ANALYSIS OF DIRECT COSTS

	Performances and events 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	134,288	134,288	65,890
Event expenses	47,833	47,833	34,032
Staff expenses	883	883	-
Printing, stationery, newsletters and course promotion	2,467	2,467	2,686
Computer expenses	9,254	9,254	10,966
Bank charges	2,486	2,486	2,534
Currency (gain)/loss	-	-	15
TOTAL 2021	197,211	197,211	116,123

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Performances and events 2021 £	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	27,349	5,424	32,773	23,213
Printing, stationery, newsletters and promotion	30	-	30	(125)
Audit and accountancy fees (governance)	11,000	-	11,000	12,102
Administration, finance and IT	48,562	-	48,562	20,074
Depreciation	80,823	-	80,823	77,805
Professional fees and costs (governance)	16,848	-	16,848	13,712
	<u>184,612</u>	<u>5,424</u>	<u>190,036</u>	<u>146,781</u>

13. 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.

14. AUDITORS' REMUNERATION

	2021 £	2020 £
Auditor's remuneration - audit	15,000	9,900
Auditor's remuneration - other services	<u>6,250</u>	<u>7,100</u>

Auditors' remuneration - other services for the Group include fees for other assurance services of £1,250 (2020 - £1,250).

The audit fee for the Charity was £7,000 (2020 - £4,650). Non-audit services for the Charity were £2,000 (2020 - £3,000).

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15. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	540,289	643,113	153,205	78,103
Social security costs	50,010	54,983	9,822	7,394
Contribution to defined contribution pension schemes	36,203	41,951	5,301	5,117
	626,502	740,047	168,328	90,614

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

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Charitable activities	3	2	4	3
Trading	14	22	-	-
	17	24	4	3

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1

The Group considers its key management personnel comprise the trustees, the Stapleford Granary CEO 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 (2020 - one) received remuneration during the period in respect of course director's fees totalling £7,501 (2020 - £5,516).

The total employment benefits including employer's national insurance and pension contributions of the key management personnel for the Group was £207,018 (2020 - £174,930) and for the Charity was £60,087 (2020 - £30,228).

Trustee expenses reimbursed during 2021 totaled £50 (2020 - £77).

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16. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Plant and machinery £	Fixtures, fittings & instruments £	Assets under construction £	Total £
COST					
At 1 January 2021	3,552,582	257,600	547,207	-	4,357,389
Additions	-	-	32,598	6,431	39,029
Disposals	-	-	(13,294)	-	(13,294)
At 31 December 2021	3,552,582	257,600	566,511	6,431	4,383,124
DEPRECIATION					
At 1 January 2021	180,063	44,853	348,455	-	573,371
Charge for the year	31,526	17,941	54,106	-	103,573
On disposals	-	-	(3,656)	-	(3,656)
At 31 December 2021	211,589	62,794	398,905	-	673,288
NET BOOK VALUE					
At 31 December 2021	3,340,993	194,806	167,606	6,431	3,709,836
At 31 December 2020	3,372,519	212,747	198,752	-	3,784,018

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16. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Freehold property £	Plant and machinery £	Fixtures, fittings & instruments £	Assets under construction £	Total £
COST					
At 1 January 2021	3,552,582	257,600	271,665	-	4,081,847
Additions	-	-	32,598	6,431	39,029
Disposals	-	-	(13,294)	-	(13,294)
At 31 December 2021	<u>3,552,582</u>	<u>257,600</u>	<u>290,969</u>	<u>6,431</u>	<u>4,107,582</u>
DEPRECIATION					
At 1 January 2021	180,063	44,853	108,286	-	333,202
Charge for the year	31,526	17,941	31,356	-	80,823
On disposals	-	-	(3,656)	-	(3,656)
At 31 December 2021	<u>211,589</u>	<u>62,794</u>	<u>135,986</u>	<u>-</u>	<u>410,369</u>
NET BOOK VALUE					
At 31 December 2021	<u>3,340,993</u>	<u>194,806</u>	<u>154,983</u>	<u>6,431</u>	<u>3,697,213</u>
At 31 December 2020	<u>3,372,519</u>	<u>212,747</u>	<u>163,379</u>	<u>-</u>	<u>3,748,645</u>

Included in freehold property held by the charity is freehold land at an estimated cost of £400,000 (2020 - £400,000) which is not depreciated.

17. INVESTMENT PROPERTY

GROUP

	Freehold investment property £
VALUATION	
At 1 January 2021	<u>161,000</u>
At 31 December 2021	<u>161,000</u>

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17. INVESTMENT PROPERTY (CONTINUED)

CHARITY

	Freehold investment property £
VALUATION	
At 1 January 2021	161,000
At 31 December 2021	<u>161,000</u>

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.

18. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION			
At 1 January 2021	2,922,263	86,351	3,008,614
Additions	233,192	-	233,192
Disposals	(731,497)	-	(731,497)
Revaluations	241,561	-	241,561
Movement in the year	-	(15,137)	(15,137)
AT 31 DECEMBER 2021	<u>2,665,519</u>	<u>71,214</u>	<u>2,736,733</u>
NET BOOK VALUE			
AT 31 DECEMBER 2021	<u>2,665,519</u>	<u>71,214</u>	<u>2,736,733</u>
AT 31 DECEMBER 2020	<u>2,922,263</u>	<u>86,351</u>	<u>3,008,614</u>

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18. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITY	Investments in subsidiary companies £	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION				
At 1 January 2021	710,000	2,922,263	86,351	3,718,614
Additions	-	233,192	-	233,192
Disposals	-	(731,497)	-	(731,497)
Revaluations	-	241,561	-	241,561
Movement in the year	-	-	(15,137)	(15,137)
AT 31 DECEMBER 2021	<u>710,000</u>	<u>2,665,519</u>	<u>71,214</u>	<u>3,446,733</u>
IMPAIRMENT				
At 1 January 2021	710,000	-	-	710,000
AT 31 DECEMBER 2021	<u>710,000</u>	<u>-</u>	<u>-</u>	<u>710,000</u>
NET BOOK VALUE				
AT 31 DECEMBER 2021	<u>-</u>	<u>2,665,519</u>	<u>71,214</u>	<u>2,736,733</u>
AT 31 DECEMBER 2020	<u>-</u>	<u>2,922,263</u>	<u>86,351</u>	<u>3,008,614</u>

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18. 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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19. 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.

	2021 £	2020 £
Turnover	1,375,365	848,045
Cost of sales	(951,263)	(877,319)
	424,102	(29,274)
Administrative expenses	(660,747)	(770,320)
Other operating income	97,907	256,297
Net interest (payable)/receivable	(21,877)	(6,701)
(Loss)/gain on financial instruments	-	-
	(584,717)	(520,724)
Tax on ordinary activities	-	-
Loss for the year	(160,615)	(549,998)
Net assets brought forward	91,465	641,463
Loss for the year	(160,615)	(549,998)
Net (liabilities)/assets carried forward	(69,150)	91,465

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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.

	2021	2020
	£	£
Turnover	71,734	245,730
Cost of sales	(58,657)	(191,379)
	13,077	54,351
Administrative expenses	(4,112)	(120,261)
	(4,112)	(120,261)
Tax on ordinary activities	-	-
Profit for the year	8,965	(65,910)
Net assets brought forward	(5,237)	60,673
Profit/(Loss) for the year	8,965	(65,910)
Net assets/(liabilities) carried forward	3,728	(5,237)

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. As a result, at 31 December 2020 the trustees temporarily impaired the carrying value of the investment.

As outlined in the results above, further losses were made in the year to 31 December 2021 and as outlined in notes 2.2 and 29 whilst the directors of the subsidiaries have put 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. Net liabilities of the subsidiary group as at this date are £65,423.

As a result, at 31 December 2021 the trustees have re-considered the carrying value of the investment in its subsidiaries and consider the impairment unchanged until 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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20. DEBTORS

	Charity 2021 £	Charity 2020 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	1,000,000	500,000

The balance due after more than one year represents a £1,000,000 loan advanced to the Charity's trading subsidiary, ACE Cultural Tours Limited. 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 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	645	5,372	645	5,372
Amounts owed by group undertakings	-	-	7,952	18,299
Other debtors	3,549	78,392	898	52,682
Prepayments and accrued income	104,630	32,092	4,213	2,821
Tax recoverable	35,058	35,058	-	-
	143,882	150,914	13,708	79,174

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21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans	10,000	4,167	-	-
Trade creditors	31,532	21,620	12,064	12,836
Other taxation and social security	47,756	17,459	37,365	2,414
Other creditors	18,483	21,483	-	3,000
Accruals and deferred income	786,534	719,453	24,101	29,529
	894,305	784,182	73,530	47,779

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 was settled by the UK Government and no repayments of capital are due. Since July 2021 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 22.

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income at 1 January 2021	655,567	1,371,553	2,406	12,490
Resources deferred during the year	718,379	655,567	4,853	2,406
Amounts released from previous periods	(655,567)	(1,371,553)	(2,406)	(12,490)
	718,379	655,567	4,853	2,406

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.

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

	Group 2021 £	Group 2020 £
Bank loans	36,173	45,833

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 was settled by the UK Government and no repayments of capital are due. Since July 2021 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 below.

Included within the above are amounts falling due as follows:

	Group 2021 £	Group 2020 £
BETWEEN ONE AND TWO YEARS		
Bank loans	10,000	10,000
BETWEEN TWO AND FIVE YEARS		
Bank loans	26,173	30,000
OVER FIVE YEARS		
Bank loans	-	5,833

23. GRANTS ACCRUED

	2021 £	2020 £
Grants accrued b/fwd	-	3,250
Grants committed	29,920	13,590
Grants paid	(29,920)	(16,840)
Grants accrued c/fwd	-	-

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24. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital Fund	3,008,614	-	-	(515,142)	243,261	2,736,733
Property Fund	3,909,645	-	(80,823)	29,391	-	3,858,213
Subsidiary Support Fund	500,000	-	-	500,000	-	1,000,000
	<u>7,418,259</u>	<u>-</u>	<u>(80,823)</u>	<u>14,249</u>	<u>243,261</u>	<u>7,594,946</u>
GENERAL FUNDS						
General Fund	183,439	197,685	(310,652)	(14,249)	-	56,223
Subsidiary Fund	86,227	1,473,344	(1,624,994)	-	-	(65,423)
	<u>269,666</u>	<u>1,671,029</u>	<u>(1,935,646)</u>	<u>(14,249)</u>	<u>-</u>	<u>(9,200)</u>
TOTAL UNRESTRICTED FUNDS	<u>7,687,925</u>	<u>1,671,029</u>	<u>(2,016,469)</u>	<u>-</u>	<u>243,261</u>	<u>7,585,746</u>

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24. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	As restated Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
	3,462,911	-	-	(498,149)	43,852	3,008,614
	3,971,974	-	(77,805)	15,476	-	3,909,645
	-	-	-	500,000	-	500,000
	<u>7,434,885</u>	<u>-</u>	<u>(77,805)</u>	<u>17,327</u>	<u>43,852</u>	<u>7,418,259</u>
GENERAL FUNDS						
	190,040	200,203	(213,436)	6,632	-	183,439
	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>(17,327)</u>	<u>-</u>	<u>269,666</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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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 Support Fund

This fund represents the carrying value of long term loan made to its subsidiary ACE Cultural Tours Limited which is not freely available to the Charity. The loan ensures the long term security and return to pre-pandemic levels of the subsidiary's activities.

Subsidiary Funds

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

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

	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(102,179)	(639,135)
ADJUSTMENTS FOR:		
Depreciation charges	103,573	115,627
Gains on investments	(243,261)	(43,852)
Dividends, interests and rents from investments	(121,436)	(117,720)
Loss on the sale of fixed assets	7,238	-
Decrease in debtors	7,032	377,576
Increase/(decrease) in creditors	100,463	(794,935)
NET CASH USED IN OPERATING ACTIVITIES	(248,570)	(1,102,439)

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26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	1,764,773	1,413,394
TOTAL CASH AND CASH EQUIVALENTS	1,764,773	1,413,394

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	1,413,394	351,379	-	1,764,773
Debt due within 1 year	(4,167)	3,827	(9,660)	(10,000)
Debt due after 1 year	(45,833)	-	9,660	(36,173)
	1,363,394	355,206	-	1,718,600

28. 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 £36,203 (2020 - £41,951). Contributions totalling £NIL (2020 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

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29. RELATED PARTIES AND PRIOR YEAR ADJUSTMENT

During the year, the Charity recharged its subsidiary, ACE Cultural Tours Limited, £15,000 (2020 - £19,500) 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 (2020 - £6,000) in respect of office support costs. As a result of the Covid-19 pandemic, the Charity paid the second £500,000 instalment of an unsecured £1,000,000 loan available to ACE Cultural Tours Limited. The loan incurs interest at a rate of 3% per annum and £21,339 (2020 - £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 £954,938 (2020 - £518,273) was due from ACE Cultural Tours at 31 December 2021.

A balance of £nil (2020 - £26) was due from ACE Cultural Tours (Transport) as at 31 December 2021.

One (2020 - one) trustee (John Bryden) received remuneration for services rendered in his capacity as course director and this is disclosed in note 12.

During the year, Toni Moses received remuneration for architectural design work amounting to £4,320. Various used jewellery making tools and equipment were sold to Toni Moses for £171. All of these balances were settled before the year-end.