
THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

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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 2022

Trustees	Christopher Mark Sanders, Chair John Bryden Sarah Burles (appointed 9 January 2023) David Martin Sandra Toni Moses Christine Anne Berry
Honorary President	Ann Barrett, Professor Emeritus UEA, OBE, FMed Sci, MD, FRCP, FRCR
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 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

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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 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.

OBJECTIVES AND ACTIVITIES

The Association for Cultural Exchange (Registered charity 279567) is established 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.

The charity operates primarily from its base at Stapleford Granary five miles South of Cambridge City Centre, where it has redeveloped disused farm buildings into an award-winning, vibrant centre for the Arts.

Summary of Key Achievements and Delivery of Public Benefit in 2022

During an exceptional year, Stapleford Granary has strived to ensure that music and arts transform people's lives, bring our community together and enhance daily life. 2022 saw significantly accelerated growth in all areas of activity due to the success of new artistic and business initiatives. With enhanced artistic programming, a move to 7-day a week opening and the launch of our new café, the Granary has now become a cultural destination for local residents and visitors from further afield. Our strong 'Culturally Curious' brand encapsulates our charitable aim to embed education in all that we do.

To realise our charitable objectives, we have two main areas of activity:

1. Reach and engage more people through art and culture, deliver and make accessible the highest quality music, art and other cultural opportunities.

In 2022, we have:

- broadened our engagement and grown our audiences and beneficiaries, increasing annual footfall on site by 150% since 2019 (increase from 8,000 in 2019 to 20,000 in 2022)
- produced and delivered 60 live music events throughout the year including 4 outdoor concerts. Total number of beneficiaries = 5,270
- devised and delivered two large-scale community days (Summer Village Day & Christmas Market). Total numbers of beneficiaries = 2,800
- curated and hosted four art exhibitions featuring living British artists working in print, sculpture, environmental-art and painting, seen by everyone who visits the site
- developed low-risk cultural engagement strategies including the opening of a new ancillary café.

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FOR THE YEAR ENDED 31 DECEMBER 2022

2. Enhanced financial sustainability.

In 2022, we have:

- developed a range of income-generating activities to help support the costs of our charitable work, many of which overlap with the cultural visitor experience (e.g. collaborations with ACE Cultural Tours, opening an on-site café)
- prepared areas of the site to become income-generating hires
- increased our staffing and expanding our opening days and hours from occasional opening to a regular 7 days per week in order to make the site more viable from a revenue generating perspective.

Concerts & Events

Our live music programme, curated by Artistic Directors Kate Romano & Ian Buckle, is one of our flagship areas of charitable activity, enabling outstanding music (classical, folk and jazz) to be accessible to people in this region (72% of our audiences live within a 10 mile radius). In 2022 we introduced more events for families along with a 50% reduction in ticket prices for under 25s which has considerably widened the age demographic of our audience. Our concert programme is designed to bring audiences a mixture of the finest repertoire played by acclaimed performers alongside new names and emerging artists. Listings, blogs and pre-concert talks provide enlightening contextual information and encourage dialogue.

In 2022 we held 60 live music events. Four of these took place outdoors (Courtyard Concerts) with an outdoor bar and BBQ, doubling the audience capacity and making the experience of live music welcoming for those who might not normally attend concerts. Free tickets to outdoor concerts were donated to Ukrainian refugees staying in the local area. Despite a difficult start to the year with Covid still very much present in the area, we achieved 75% capacity audiences across the whole year, with events from summer onwards regularly selling out.

Our summer Village Day (17 June) and Christmas Market (10 December) were hugely successful and very well attended, with the Christmas Market attracting over 2,000 visitors (more than double the previous year). Both days are designed to showcase and support local makers, creators, practitioners and artists. Visitors comment on how they enjoy talking to stallholders about their art and craft. Both days are free to enter and provide creative activities, entertainment and a welcoming social space for residents to enjoy art and culture.

Exhibitions

We hosted four visual art exhibitions in 2022; Julian Meredith MIGRATION (printmaker), Liz McGowan THE SPIRIT WRAPS AROUND ME: NATURE AS A SECOND SKIN (cloaks, earthworks, collage, prints), FIVE CONTEMPORARY BRITISH ARTISTS, curated by Alan Kluckow (Christopher Farrell, Nicholas Herbert, Boo Mitford, Sally Moore, William Balthazar Rose) and THE NATURAL EYE (SWLA) featuring work from over 25 wildlife artists. Each exhibition remained in situ for 8-12 weeks.

All were very well attended and warmly received. Blogs, interviews and artist talks enabled visitors to learn more about the art and the creators. All exhibitions attracted local media attention and sales of art increased in line with the growing footfall on the site and expanded opening hours. The main purpose of our exhibitions is to share the work of inspiring artists with visitors to the site. Exhibitions are free to enter and enjoyed equally by those who visit for the purpose of seeing the art and those who 'stumble across them' whilst visiting the Granary for other reasons (concerts, café etc).

Café & Hires

The launch of our 'culturally curious' café in July 2022 has opened the door of the Granary to significantly larger numbers and a wider demographic of visitors. Led by Business Development Manager Tamlyn Barber (appointed March 2022) the café is extremely popular with locals, attracting between 150 and 250 visitors per day with 70% repeat business. Visitors love the warm, friendly atmosphere, the art on the walls, the readily

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available books to read and the 'Curious About' activity packs for children. The café provides an easy flow into the gallery spaces; customers sit at tables surrounded by changing art exhibitions and it has been rewarding to see many of our regular café visitors begin to attend concerts and take part in other cultural activities at the Granary.

As a catalyst for more people discovering the Granary, the café has also been instrumental in generating new business hires. Commercial hires including hospitality are accumulating via repeat bookings and personal recommendation. We support artists and not-for-profits by offering 50% reduction on hire fees. Whilst the primary target for commercial hires is financial sustainability, it is impossible to ignore the impact of the Granary on those who come here and look at the art and want to know about the architecture of the building, the history of the charity and the concerts which take place here.

Cultural Collaborations

We co-curated two sold-out events with the charity's trading subsidiary, ACE Cultural Tours, with travellers on the Tour unanimously rating the cultural content as 'excellent'. These were: a four-day programme of chamber music by Elgar & Schumann (performed by Pixels Ensemble) at Hintlesham Hall in October, and three candlelit concerts around which ACE Cultural Tours based their December Advent Tour.

Targets for 2023

- sustain new business initiatives, letting them run and settle for 12 months
- make world class music in a regional community by curating and delivering 60-70 live music events, achieving 85% capacity across all events
- host five art exhibitions: design and deliver a strategy to expand artist network with other galleries, curators and individual artists
- make our organisation even more inclusive, open and accessible by creating and delivering low-risk cultural engagement pilot events and new initiatives for younger audiences and families
- use technology to improve audience and visitor experiences
- recognise the impact our activities and all our many stakeholders are having on the environment and understand and lead the need for action and change.

Grant Making Policy

As outlined in the Delivery of Public Benefit section above, the mainstay of charitable activities is the provision of facilities and access to cultural and educational 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.

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.

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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 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 did not trade in 2022. It is anticipated that it will be dissolved during 2023.

Business volumes for 2022 within ACE Cultural Tours have returned to 80% of pre-Covid levels. Tours that travelled were well supported which generated strong gross profit. This, allied to careful cost control, has resulted in an excellent net profit of £507,225. The balance sheet of the company is much improved following the impact of two years of minimal trading.

ACE Cultural Tours has a particularly loyal customer base, which has remained engaged with us throughout the pandemic and is now booking tours again. Customer service has been emphasised and this has been externally recognised with the receipt of the British Travel Awards 'Best Travel Company for Arts & Culture Holidays 2022' and Feefo's Platinum Trusted Service Award 2023.

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. Profits from ACE Cultural Tours are gift-aided to the charity.

Stapleford Granary Limited is a wholly owned subsidiary of the Charity. It operates the on-site café and some commercial functions in support of the charitable activities. The company commenced active trading in July 2022. Its profits will also be gift-aided to the Charity. For the period ended 31 December 2022, the company made a loss of £20,651.

FINANCIAL REVIEW

The statement of financial activities for the 12 months to 31 December 2022 shows the total income increased to £4,588,149 (2021 - £1,671,029). Income from the charity's performance events and the trading subsidiary's tours both showed significant increases. The net gain before revaluations was £140,474 (2021 - loss £345,440) after a total of £21,375 (2021 - £29,920) in grants was dispersed during the period.

The net assets of the parent Charity as of 31 December 2022, as shown in the balance sheet, decreased by £543,825 during the period to a total of £7,107,344 (2021 - £7,651,169). The Charity continues to hold investments in government securities and shares with a market value of £2,058,233.

Total income of ACE Cultural Tours Limited for the 12 months to 31 December 2022 rose to £4,255,528 (2021 - £1,375,365). The profit for the year was £507,225 (2021 - loss £160,615) and a total of £NIL (2021 - £NIL) was donated by means of Gift Aid to the Charity. The net assets at the end of the year were £438,075 (2021 net liabilities - £69,150). ACE Cultural Tours (Transport) Limited did not trade during the year and it is planned to be dissolved in the course of 2023.

Stapleford Granary Limited operates the café, accounts for sales of art from exhibitions and provides hospitality for hires and internal events. The first six months of trading saw a turnover of £84,847 and an overall operational deficit of £20,651. All areas of trading for Stapleford Granary Limited are expected to increase in 2023.

The net assets of the Group as of 31 December 2022, as shown in the balance sheet, decreased to a total of £7,096,192. All funds held are unrestricted.

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Funds

The net assets are allocated to a Capital Fund, a Property Fund and a Subsidiary Support 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 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 and workshop 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.

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.

At the year end the Charity had total funds of £7,107,344. The Capital Fund stands at £2,532,808 (including the investment in subsidiary) and the Property Fund at £3,870,132. The subsidiary support fund is £1,000,000.

The Group and Charity's free reserves as at 31 December 2022 are £(295,597) (2021: £56,223) which is below the target of £500,000 however there are plans in place to reduce the subsidiary support fund by £500,000 which will contribute to the improvement of free reserves, along with a return to profitability by the subsidiary allowing the resumption of gift aid payments to flow up to the Charity.

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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 leading tours, lecturing or professional and administrative expertise. 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 and Stapleford Granary 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 tour 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 four to six 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. A further subsidiary (Stapleford Granary Limited) operates the cafe and additional ancillary sales and hospitality on site.

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.

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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 cultural 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 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.

We 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 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.

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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:

Christopher Mark Sanders

Christopher Mark Sanders
Trustee

Date: 24 May 2023

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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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 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 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 parent charitable company's affairs as at 31 December 2022 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 parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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) and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the charity's financial statements but which may be fundamental to the charity's ability to operate or avoid material penalties;
- 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.

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

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.

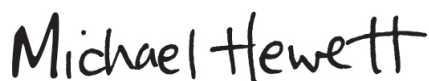
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Hewett (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 25 May 2023

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 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:				
Donations and legacies	4	14,781	14,781	4,059
Charitable activities	5	97,740	97,740	42,720
Trading activities	6	4,351,384	4,351,384	1,382,806
Investments	7	124,244	124,244	121,436
Other income	8	-	-	120,008
TOTAL INCOME		4,588,149	4,588,149	1,671,029
EXPENDITURE ON:				
Raising funds:	9,10			
Trading activities		3,784,495	3,784,495	1,588,655
Investment management		22,059	22,059	10,647
Charitable activities	12	640,890	640,890	417,167
TOTAL EXPENDITURE		4,447,444	4,447,444	2,016,469
NET INCOME/(EXPENDITURE) BEFORE NET (LOSSES)/GAINS ON INVESTMENTS		140,705	140,705	(345,440)
Net (losses)/gains on investments		(630,259)	(630,259)	243,261
NET MOVEMENT IN FUNDS		(489,554)	(489,554)	(102,179)
RECONCILIATION OF FUNDS:				
Total funds brought forward		7,585,746	7,585,746	7,687,925
Net movement in funds		(489,554)	(489,554)	(102,179)
TOTAL FUNDS CARRIED FORWARD		7,096,192	7,096,192	7,585,746

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 47 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 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	3,747,577	3,709,836
Investments	18	2,094,732	2,736,733
Investment property	17	161,000	161,000
		6,003,309	6,607,569
CURRENT ASSETS			
Stocks	19	3,803	-
Debtors	20	360,778	143,882
Cash at bank and in hand		2,079,973	1,764,773
		2,444,554	1,908,655
Creditors: amounts falling due within one year	21	(1,325,004)	(894,305)
NET CURRENT ASSETS		1,119,550	1,014,350
TOTAL ASSETS LESS CURRENT LIABILITIES		7,122,859	7,621,919
Creditors: amounts falling due after more than one year	22	(26,667)	(36,173)
TOTAL NET ASSETS		7,096,192	7,585,746
CHARITY FUNDS			
Unrestricted funds	24	7,096,192	7,585,746
TOTAL FUNDS		7,096,192	7,585,746

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

Christopher Mark Sanders
Trustee

Date: 24 May 2023

The notes on pages 18 to 46 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 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	3,709,132	3,697,213
Investments	18	2,532,808	2,736,733
Investment property	17	161,000	161,000
		<u>6,402,940</u>	<u>6,594,946</u>
CURRENT ASSETS			
Stocks	19	991	-
Debtors	20	1,088,499	1,013,708
Cash at bank and in hand		49,215	116,045
		<u>1,138,705</u>	<u>1,129,753</u>
Creditors: amounts falling due within one year	21	(434,301)	(73,530)
NET CURRENT ASSETS		<u>704,404</u>	1,056,223
TOTAL NET ASSETS		<u><u>7,107,344</u></u>	<u><u>7,651,169</u></u>
CHARITY FUNDS			
Unrestricted funds	24	7,107,344	7,651,169
TOTAL FUNDS		<u><u>7,107,344</u></u>	<u><u>7,651,169</u></u>

The Charity's net movement in funds for the year was £(543,825) (2021 - £49,471).

The Charity 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. 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

Christopher Mark Sanders
Trustee

Date: 24 May 2023

The notes on pages 18 to 46 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 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	25	310,830	(248,570)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		124,244	121,436
Proceeds from the sale of intangible assets		3,385	2,400
Purchase of tangible fixed assets		(135,001)	(39,029)
Net proceeds from investments		11,742	515,142
NET CASH PROVIDED BY INVESTING ACTIVITIES		4,370	599,949
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		315,200	351,379
Cash and cash equivalents at the beginning of the year		1,764,773	1,413,394
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	2,079,973	1,764,773

The notes on pages 18 to 46 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 2022

1. GENERAL INFORMATION

The Charity is a company limited by guarantee. The members of the Charity are the trustees named on page 1 together with one nominated representative of the family of the founder. 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) (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 and the Group is a public benefit group. 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 Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity 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 operations of the Group have recovered significantly during 2022. In particular, the Charity's travel subsidiary ACE Cultural Tours has returned to profitable trading and in the course of 2023 will repay early 50% of the loan provided by its parent to support its activities during the Covid-19 pandemic.

The Charity has provided a small amount of financial support for the opening of a café at Stapleford Granary. This activity is ancillary to the objects of the Charity and has been instrumental in attracting increased footfall to the site – and thereby developing engagement with the charitable activities on offer.

The trustees have reviewed budgets for 2023 and outline forecasts to 2026 and are confident that the Group will have sufficient resources to support its public benefit activities and 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 statement.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

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 taking place in subsequent years is deferred and included within creditors as accruals and deferred income.

Tours income is recognised on the date of departure of the relevant tour. Income received in respect of tours taking place in subsequent years is deferred and included within creditors as accruals and deferred income.

Interest on funds held on deposit is recognised on the date on which the interest is paid. Dividends are recognised once we have been notified by investment advisers that a dividend has been received into 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 when it is received provided that any goods or services that the Group is contracted to supply in respect of such income have been provided.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 by the Group's trading subsidiaries including the provision of cultural tours and the costs of running a café. Costs of generating funds comprise fees paid to investment managers and an element of staff time which is involved in managing investments.

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 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:

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

Freehold property	- 1% straight line on the buildings element
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.

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.

2.7 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.

2.8 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.

2.9 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 six 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 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.10 LIABILITIES 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.

2.11 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.

2.12 INTEREST RECEIVABLE

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 institution with whom the funds are deposited.

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 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.15 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.

2.16 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.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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.

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.

Impairment of investment in subsidiary

The carrying value of the subsidiary is currently based on the net assets of the subsidiary company as these are below historic cost. Any reversal of previous impairments is based on the forecasts and increased success of the subsidiary causing an sustained increase in net assets. Accordingly, the Trustees consider that a reversal of previous impairments to align the carrying value of the investment with the book value of net assets is justified.

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	14,781	14,781	4,059
	<u>14,781</u>	<u>14,781</u>	<u>4,059</u>
TOTAL 2021	4,059	4,059	
	<u>4,059</u>	<u>4,059</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Performances and events	97,740	97,740	42,720
	<u>97,740</u>	<u>97,740</u>	<u>42,720</u>
TOTAL 2021	42,720	42,720	
	<u>42,720</u>	<u>42,720</u>	

6. INCOME FROM TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Open day	-	-	737
	<u>-</u>	<u>-</u>	<u>737</u>
TOTAL 2021	737	737	
	<u>737</u>	<u>737</u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. INCOME FROM TRADING ACTIVITIES (CONTINUED)

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bar and café sales	93,271	93,271	6,704
Tours	4,258,113	4,258,113	1,375,365
	<u>4,351,384</u>	<u>4,351,384</u>	<u>1,382,069</u>
	<u>1,382,069</u>	<u>1,382,069</u>	
TOTAL 2021			

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	74,010	74,010	82,080
Investment income	47,988	47,988	39,270
Bank interest	2,246	2,246	86
	<u>124,244</u>	<u>124,244</u>	<u>121,436</u>
	<u>121,436</u>	<u>121,436</u>	
TOTAL 2021			

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Government grants	-	-	120,008
TOTAL 2021	120,008	120,008	

Government grants represent amounts receivable under Kickstart Scheme (Charity £NIL (2021 - £6,554)) and the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff for the Charity (£NIL (2021 - £21,547)) and its subsidiary ACE Cultural Tours Limited (£NIL (2021 - £91,907)).

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. EXPENDITURE ON RAISING FUNDS

TRADING EXPENSES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tour expenses	3,113,556	3,113,556	941,093
Other trading expenses	150,270	150,270	166,639
Wages and salaries	427,898	427,898	387,084
National insurance	50,758	50,758	40,188
Pension costs	31,989	31,989	30,902
Depreciation	10,024	10,024	22,749
	<u>3,784,495</u>	<u>3,784,495</u>	<u>1,588,655</u>
	<u><u>3,784,495</u></u>	<u><u>3,784,495</u></u>	<u><u>1,588,655</u></u>
TOTAL 2021	<u>1,588,655</u>	<u>1,588,655</u>	
	<u><u>1,588,655</u></u>	<u><u>1,588,655</u></u>	

10. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	15,010	15,010	9,380
Staff time spent managing investments	7,049	7,049	1,267
	<u>22,059</u>	<u>22,059</u>	<u>10,647</u>
	<u><u>22,059</u></u>	<u><u>22,059</u></u>	<u><u>10,647</u></u>
TOTAL 2021	<u>10,647</u>	<u>10,647</u>	
	<u><u>10,647</u></u>	<u><u>10,647</u></u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	6,380	14,995	21,375	29,920
	<u>6,380</u>	<u>14,995</u>	<u>21,375</u>	
TOTAL 2021	13,030	16,890	29,920	
	<u>13,030</u>	<u>16,890</u>	<u>29,920</u>	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Performances and events	323,790	-	277,596	601,386	381,823
Grants	-	21,375	18,129	39,504	35,344
	<u>323,790</u>	<u>21,375</u>	<u>295,725</u>	<u>640,890</u>	<u>417,167</u>
TOTAL 2021	197,211	29,920	190,036	417,167	
	<u>197,211</u>	<u>29,920</u>	<u>190,036</u>	<u>417,167</u>	

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Performances and events 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	199,507	199,507	134,288
Event expenses	95,266	95,266	47,833
Staff expenses	-	-	883
Printing, stationery, newsletters and promotion	13,939	13,939	2,467
Computer expenses	11,210	11,210	9,254
Bank charges	3,868	3,868	2,486
	<u>323,790</u>	<u>323,790</u>	<u>197,211</u>
	<u>197,211</u>	<u>197,211</u>	
TOTAL 2021			

ANALYSIS OF SUPPORT COSTS

	Performances and events 2022 £	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	99,221	18,129	117,350	32,773
Printing, stationery, newsletters and promotion	(240)	-	(240)	30
Audit and accountancy fees (governance)	14,456	-	14,456	11,000
Administration, finance and IT	78,996	-	78,996	48,562
Depreciation	81,504	-	81,504	80,823
Professional fees and costs (governance)	3,659	-	3,659	16,848
	<u>277,596</u>	<u>18,129</u>	<u>295,725</u>	<u>190,036</u>
	<u>184,612</u>	<u>5,424</u>	<u>190,036</u>	
TOTAL 2021				

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Auditor's remuneration - audit	18,000	15,000
Fees payable to the Charity's auditor in respect of:		
Auditor's remuneration - other services	7,250	6,250

Auditors' remuneration - other services for the Group include fees for other assurance services of £nil (2021 - £1,250).

The audit fee for the Charity was £10,000 (2021 - £7,000). Non-audit services for the Charity were £3,400 (2021 - £2,000).

15. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	725,480	540,289	297,582	153,205
Social security costs	69,396	50,010	18,638	9,822
Contribution to defined contribution pension schemes	39,675	36,203	7,686	5,301
	834,551	626,502	323,906	168,328

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

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
Charitable activities	5	3	4	4
Trading	27	14	-	-
	32	17	4	4

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15. STAFF COSTS (CONTINUED)

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	2	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, Stapleford Granary Limited and ACE Cultural Tours (Transport) Limited.

One trustee (2021 - one) received remuneration during the period in respect of course director's fees totalling £5,318 (2021 - £7,501).

The total employment benefits including employer's national insurance and pension contributions of the key management personnel for the Group was £250,856 (2021 - £207,018) and for the Charity was £88,976 (2021 - £60,087).

Trustee expenses reimbursed during 2022 totalled £72 (2021 - £50).

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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 2022	3,552,582	257,600	566,511	6,431	4,383,124
Additions	84,564	-	50,437	-	135,001
Disposals	-	-	(58,953)	-	(58,953)
Transfers between classes	6,431	-	-	(6,431)	-
At 31 December 2022	3,643,577	257,600	557,995	-	4,459,172
DEPRECIATION					
At 1 January 2022	211,589	62,794	398,905	-	673,288
Charge for the year	32,072	17,941	40,874	-	90,887
On disposals	-	-	(52,580)	-	(52,580)
At 31 December 2022	243,661	80,735	387,199	-	711,595
NET BOOK VALUE					
At 31 December 2022	3,399,916	176,865	170,796	-	3,747,577
At 31 December 2021	3,340,993	194,806	167,606	6,431	3,709,836

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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 2022	3,552,582	257,600	290,969	6,431	4,107,582
Additions	84,564	-	14,601	-	99,165
Disposals	-	-	(8,600)	-	(8,600)
Transfers between classes	6,431	-	-	(6,431)	-
At 31 December 2022	3,643,577	257,600	296,970	-	4,198,147
DEPRECIATION					
At 1 January 2022	211,589	62,794	135,986	-	410,369
Charge for the year	32,072	17,941	30,860	-	80,873
On disposals	-	-	(2,227)	-	(2,227)
At 31 December 2022	243,661	80,735	164,619	-	489,015
NET BOOK VALUE					
At 31 December 2022	3,399,916	176,865	132,351	-	3,709,132
At 31 December 2021	3,340,993	194,806	154,983	6,431	3,697,213

Included in freehold property held by the group and charity is freehold land at an estimated cost of £400,000 (2021 - £400,000) which is not depreciated.

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17. INVESTMENT PROPERTY

GROUP

**Freehold
investment
property
£**

VALUATION

At 1 January 2022

161,000

At 31 December 2022

161,000

CHARITY

**Freehold
investment
property
£**

VALUATION

At 1 January 2022

161,000

At 31 December 2022

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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18. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Uninvested cash £	Total £
VALUATION			
At 1 January 2022	2,665,519	71,214	2,736,733
Additions	1,393,580	-	1,393,580
Disposals	(1,616,489)	-	(1,616,489)
Revaluations	(384,377)	-	(384,377)
Movement in the year	-	(34,715)	(34,715)
AT 31 DECEMBER 2022	<u>2,058,233</u>	<u>36,499</u>	<u>2,094,732</u>
NET BOOK VALUE			
AT 31 DECEMBER 2022	<u>2,058,233</u>	<u>36,499</u>	<u>2,094,732</u>
AT 31 DECEMBER 2021	<u>2,665,519</u>	<u>71,214</u>	<u>2,736,733</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 2022	710,000	2,665,519	71,214	3,446,733
Additions	1	1,393,580	-	1,393,581
Disposals	-	(1,616,489)	-	(1,616,489)
Revaluations	-	(384,377)	-	(384,377)
Movement in the year	-	-	(34,715)	(34,715)
AT 31 DECEMBER 2022	<u>710,001</u>	<u>2,058,233</u>	<u>36,499</u>	<u>2,804,733</u>
IMPAIRMENT				
At 1 January 2022	710,000	-	-	710,000
Reversal of impairments	(438,075)	-	-	(438,075)
AT 31 DECEMBER 2022	<u>271,925</u>	<u>-</u>	<u>-</u>	<u>271,925</u>
NET BOOK VALUE				
AT 31 DECEMBER 2022	<u>438,076</u>	<u>2,058,233</u>	<u>36,499</u>	<u>2,532,808</u>
AT 31 DECEMBER 2021	<u>-</u>	<u>2,665,519</u>	<u>71,214</u>	<u>2,736,733</u>

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18. FIXED ASSET INVESTMENTS (CONTINUED)

Listed investments

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.

Investment in subsidiaries

The impairment of the Charity's investment in its trading subsidiary, ACE Cultural Tours Ltd, has been reversed by £438,075. The amended carrying value represents the book value of net assets in ACE Cultural Tours Ltd and ACE Cultural Tours (Transport) Ltd at 31 December 2022.

During 2022, with the ending of Covid-19 restrictions across the globe, the financial position and performance of the subsidiary improved significantly due to the increase in tour bookings. Forecasts indicate that the financial position and performance will continue to improve in 2023 and beyond. Accordingly, the Trustees consider that a reversal of previous impairments to align the carrying value of the investment with the book value of net assets is justified.

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18. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity
ACE Cultural Tours Limited	07058084	Stapleford Granary, Bury Road, Stapleford, CB22 5BP	International cultural tours operator
ACE Cultural Tours (Transport) Limited	07058069	Stapleford Granary, Bury Road, Stapleford, CB22 5BP	Tour travel bookings
Stapleford Granary Limited	13766501	Stapleford Granary, Bury Road, Stapleford, CB22 5BP	Operating a café

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes
Ordinary	100%	Yes
Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets/ (liabilities) £
ACE Cultural Tours Limited	4,265,028	(3,757,962)	507,225	438,075
ACE Cultural Tours (Transport) Limited	5,772	-	5,772	9,499
Stapleford Granary Limited	84,847	(105,498)	(20,651)	(20,651)

19. STOCKS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Café consumables	2,812	-	-	-
Finished goods and goods for resale	991	-	991	-
	3,803	-	991	-

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20. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	1,000,000	1,000,000
	-	-	1,000,000	1,000,000
DUE WITHIN ONE YEAR				
Trade debtors	1,565	645	1,565	645
Amounts owed by group undertakings	-	-	42,204	7,952
Other debtors	34,317	3,549	33,337	898
Prepayments and accrued income	307,336	104,630	11,393	4,213
Tax recoverable	-	35,058	-	-
Financial instruments	17,560	-	-	-
	360,778	143,882	1,088,499	1,013,708

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.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	10,113	10,000	-	-
Trade creditors	98,442	31,532	9,609	12,064
Amounts owed to group undertakings	-	-	374,961	-
Other taxation and social security	35,987	47,756	8,859	37,365
Other creditors	20,000	18,483	-	-
Accruals and deferred income	1,160,462	786,534	40,872	24,101
	1,325,004	894,305	434,301	73,530

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 were 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.

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	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 January 2022	718,379	655,567	4,853	2,406
Resources deferred during the year	1,044,269	718,379	543	4,853
Amounts released from previous periods	(718,379)	(655,567)	(4,853)	(2,406)
	1,044,269	718,379	543	4,853

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.

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

	Group 2022 £	Group 2021 £
Bank loans	26,667	36,173

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 were 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 2022 £	Group 2021 £
BETWEEN ONE AND TWO YEARS		
Bank loans	10,000	10,000
BETWEEN TWO AND FIVE YEARS		
Bank loans	16,667	26,173

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23. GRANTS ACCRUED

	2022 £	2021 £
Grants accrued b/fwd	-	-
Grants committed	21,375	29,920
Grants paid	(21,375)	(29,920)
	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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24. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	2,736,733	-	-	(11,742)	(630,259)	2,094,732
Property fund	3,858,213	-	(81,504)	93,423	-	3,870,132
Subsidiary support fund	1,000,000	-	-	-	-	1,000,000
	<u>7,594,946</u>	<u>-</u>	<u>(81,504)</u>	<u>81,681</u>	<u>(630,259)</u>	<u>6,964,864</u>
GENERAL FUNDS						
General funds	56,223	232,572	(502,711)	(81,681)	-	(295,597)
Subsidiary funds	(65,423)	4,355,577	(3,863,229)	-	-	426,925
	<u>(9,200)</u>	<u>4,588,149</u>	<u>(4,365,940)</u>	<u>(81,681)</u>	<u>-</u>	<u>131,328</u>
TOTAL UNRESTRICTED FUNDS	<u>7,585,746</u>	<u>4,588,149</u>	<u>(4,447,444)</u>	<u>-</u>	<u>(630,259)</u>	<u>7,096,192</u>

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24. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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 funds	183,439	197,685	(310,652)	(14,249)	-	56,223
Subsidiary funds	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)

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, ACE Cultural Tours (Transport) Limited and Stapleford Granary Limited.

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

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(489,554)	(102,179)
ADJUSTMENTS FOR:		
Depreciation charges	90,887	103,573
Losses/(gains) on investments	630,259	(243,261)
Dividends, interests and rents from investments	(124,244)	(121,436)
Loss on the sale of fixed assets	2,988	7,238
Increase in stocks	(3,803)	-
(Increase)/decrease in debtors	(216,896)	7,032
Increase in creditors	421,193	100,463
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	310,830	(248,570)

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26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	2,079,973	1,764,773
TOTAL CASH AND CASH EQUIVALENTS	2,079,973	1,764,773

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	1,764,773	315,200	-	2,079,973
Debt due within 1 year	(10,000)	(10,000)	9,887	(10,113)
Debt due after 1 year	(36,173)	-	9,506	(26,667)
Currency derivatives	-	-	17,560	17,560
	1,718,600	305,200	36,953	2,060,753

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 £39,675 (2021 - £36,203). Contributions totalling £NIL (2021 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

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29. RELATED PARTY TRANSACTIONS

During the year, the Charity recharged its subsidiary, ACE Cultural Tours Limited, £30,000 (2021 - £15,000) 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 (2021 - £6,000) in respect of office support costs. As at the 31 December 2022 £415,188 (2021 - £nil) was owed by the Charity to ACE Cultural Tours Limited.

As a result of the Covid-19 pandemic, the Charity has loaned £1,000,000 to ACE Cultural Tours Limited. The loan incurs interest at a rate of 3% per annum and £30,404 (2021 - £21,339) 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.

During the year, the Charity recharged its subsidiary, Stapleford Granary Limited, £1,400 in respect of office support costs and £5,833 in respect of rent. At the year-end, a balance of £42,205 was due from Stapleford Granary Limited. As at 31 December 2022 £42,205 (2021 - £nil) was owed to the Charity from Stapleford Granary Limited.

One (2021 - one) trustee (John Bryden) received remuneration for services rendered in his capacity as course director and this is disclosed in note 15.