

Registered number: 00604757
Charity number: 279567

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Trustees	Christopher Mark Sanders, Chair John Bryden Sarah Burles (appointed 9 January 2023) David Ralph Martin Sandra Toni Moses Christine Anne Berry Paul Jackson (appointed 28 July 2023) Peter McPartland (appointed 29 July 2023) Lesley Margaret Thompson (appointed 29 July 2023)
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
Acting General Secretary	Christine Anne Berry (appointed 24 March 2023)
General Secretary	Paul B Barnes, MSc, PhD (resigned 24 March 2023)
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 2023

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 2023. 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.

In 2023, the Charity marked its 65th anniversary, noting that the founder's vision to foster cultural understanding through education is as relevant today as it was when the Charity was created in 1958.

Our mission statement:

'Our "culturally curious" approach to all we do underpins our aim to better understand, respect and value one another.'

The Charity fulfils its charitable objectives and delivers public benefit in the following ways.

Culturally curious travel

Through our trading subsidiary, ACE Cultural Tours Limited, we provide expert-led, cultural tours to all parts of the UK and throughout the world on a wide range of cultural subjects. Our tours are curated to ensure a high level of specialist content, combined with opportunities to explore destinations and venues that, in many cases, are not publicly accessible.

As members of the Association of Independent Tour Operators (AITO), we subscribe to AITO's code of ethics for sustainable tourism. Our tours respect the history and heritage of the places we visit and the fragility of many of the natural habitats.

An arts and study centre for the culturally curious

The Charity's home base is at Stapleford Granary, a beautifully restored complex of 19th-century farm buildings on the outskirts of Cambridge. We have a 100-seat concert hall, gallery spaces, creative studios, education rooms and, in the summer, a stretch tent in the courtyard provides a magnificent setting for outdoor concerts and events.

The artistic and creative programming was significantly expanded during 2023, building on the success of 2022. Audience numbers increased substantially across the board, with events frequently selling out. Our strong 'Culturally Curious' brand encapsulates our charitable aim to embed education in all that we do.

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'How does an arts centre educate...? When Philip Barnes set up his adult education study tours he created a peripatetic progressive model of education, furthering a curiosity for culture and lifelong learning. At Stapleford Granary we have the opportunity to imagine what this model would be like in a fixed location for a new generation and a wide demographic. While ACE Cultural Tours takes travellers around the world to unknown places to gain cultural experiences, we can use the spaces and the environment around us here at Stapleford Granary to display, curate and tell stories about art, powerfully introducing elements of surprise into familiar settings.'

Kate Romano, co-Artistic Director and CEO, Stapleford Granary 2023.

Following the launch of our café at Stapleford Granary in 2022, we saw a very significant increase in the volume of visitors to the site in 2023. The Granary has firmly established its reputation as a vibrant cultural destination for the neighbouring community and for art-lovers from further afield.

Summary of key achievements and delivery of public benefit in 2023

The underlying principle of all the Charity's activities, whether provided through ACE Cultural Tours Limited or at Stapleford Granary, is to demonstrate the importance of cultural education in transforming and enhancing people's lives.

- During 2023, we ran 109 successful tours, up from 95 in 2022. More than 2,000 travellers experienced a diverse range of culture on tours around the world, ranging from history, art, music and the natural environment to architecture, archaeology and, design. Longer-haul destinations have been re-introduced as the travel sector recovers from the pandemic. The exceptional specialist content of our tours and outstanding levels of service result in many repeat bookings from travellers who appreciate the quality of the educational content of our programmes as well as the company of fellow travellers.
- We have better communicated the way in which profits from the tour subsidiary are gift-aided to the parent Charity to support the operation and charitable activities at Stapleford Granary. Travellers with ACE Cultural Tours appreciate that it is not a 'typical' tour company and that its ownership by a charity increases the benefits of cultural education which the Charity can deliver.
- Where appropriate, grants and awards are made to organisations connected to the destinations visited by our tours. Over the past 65 years, more than 200 grants, donations, bursaries and scholarships have been awarded. In 2023, a grant was made to the Spanish Ornithological Society to support their work at the Donana National Park in in Andalucia. Donana is one of Europe's most important wetland reserves and a major site for migrating birds.
- All cultural activity at Stapleford Granary has an educational benefit, again based on the founding principles of the Charity. Our philosophy is one of removing obstacles which may isolate the arts and enabling people to respond to the arts on their own terms. We achieve this through thoughtful and creative use of the site ("*a place to marvel*"), an ambition to create memorable, thought-provoking and inspiring experiences for our visitors and by adopting a democratic, light-touch approach. This takes the form of conversation, artists' talks, blogs, e-news, information boards and our monthly *Granary Press*.

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FOR THE YEAR ENDED 31 DECEMBER 2023

At Stapleford Granary, 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 cultural opportunities. During 2023 we have:
 - o Broadened our engagement to grow our audiences and beneficiaries, increasing annual footfall at Stapleford Granary to c 60,000 in 2023 (from 20,000 in 2022).
 - o Widened the age demographic of our audiences by offering reduced price tickets to under 25s and to families.
 - o Developed a pilot education programme, 'Small Grains', and provided other children's activities in response to government cuts in education budgets for the arts and culture.
 - o Curated and exhibited the work of 10 living artists in solo or group shows, working in print, sculpture and painting.
 - o Welcomed performers from over 15 countries including Brazil, Canada, Cuba, Uruguay, the USA and much of Europe, including Slovenia, Sweden, Germany, Italy and Serbia.
 - o Introduced audiences to more contemporary and lesser-known repertoire to our 'classical' concerts (c. 50% of the music programmed is 20th/21st century repertoire).
 - o Introduced more cross-genre events, such as spoken word with music, live electronics, folk with trad-jazz, jazz with R&B.
 - o Introduced poetry to our programme with performances by two of the UK's best known and highly regarded poets, Simon Armitage, the Poet Laureate, and Michael Symmons Roberts.

- 2 Become more financially sustainable: The Charity receives no state subsidy. The funds that support all our charitable activity derive either from the gift-aided income from ACE Cultural Tours, from our investment portfolio, or from revenue generated through the events and resources available to us at Stapleford Granary. From time to time, we also receive donations and legacies from our supporters. The impact of the pandemic in 2020-21, and the consequent loss of funding from Tours during the lockdown on travel, reinforced the need for the Charity to revisit its financial model. Our strong emergence from the negative effects of the pandemic provides confidence that our activities at Stapleford Granary are helping us to become more financially resilient. While the trustees consider we still have much work to do in this regard, we have:
 - o Developed a range of income-generating activities to help support the costs of our charitable work and the running costs of the site, many of which overlap with the cultural visitor experience. For example, through our second trading subsidiary, Stapleford Granary Ltd, we now have a thriving café. During 2023 we have successfully piloted pre-concert meals for ticket holders. In time, Stapleford Granary Ltd will generate profits to be gift-aided to the Charity.
 - o Created artists' studios in the stable block which are fully let to creatives for their own use and to run courses.
 - o Increased our staffing to sustain a regular opening pattern for the site of 6 days per week, to make Stapleford Granary more viable from a revenue-generating perspective.
 - o Exceeded our audience target of 85% ticket sales across all genres of events, achieving 89% with 100% sell-out summer concerts under our courtyard stretch tent.

While our aim is to generate revenue, where appropriate, from our activities, this is carefully balanced with the wish to ensure Stapleford Granary is accessible to as wide a community as possible. For example, our art exhibitions (and artists' talks) are free to all visitors. Feedback confirms the value placed on this free access as an opportunity for visitors, who might not usually visit an arts centre, to enjoy cultural experiences that may not otherwise be available to them.

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Education

During 2023, we recognised the reduction of cultural-related activities on the school curriculum. Widespread cuts in the education budget have been at the expense of introducing children, at an early age, to cultural experiences that could be transformative for them. It led us to consider what an arts centre could provide in response to this.

'A cultural setting should be a place to expect rare experiences and prepare us to be ready for them, to give us the feeling that beyond the entrances and stairwells marvellous things are waiting for us.'

Bruno Bettelheim, *Children, Curiosity & Museums* (1980)

Small Grains (Launched March 2023)

Small Grains is a new pilot education programme developed by the Charity for Key Stage 1 & 2 students at Stapleford Primary School. This is a single form entry primary school with 214 children on the roll, located less than half a mile from the Granary. Small Grains is a responsive programme, pioneered by Stapleford Granary's co-Artistic Director and CEO, in conjunction with the school's head teacher. The programme is inspired by and connected to the ever-changing cultural life of the Granary, with a particular focus on visual art, poetry and live music. It explores ways of making culture accessible and inspirational to young children by exposing them to high-quality music and art, giving them space and scope to respond in their own way and providing opportunities to learn and create.

The name of the programme references the historical function of the Granary (a place where 'small grains' were held and cared for) with a nod to 'small gains theory' (small improvements across a number of different areas lead to more significant and noticeable gains overall). Through the initial pilot year, we hoped to learn how regular cultural interaction with Stapleford Granary benefits students at the school in different ways.

What happens when an arts centre and a primary school work together?

'This simple question is at the heart of the project. Each week, classes walk from the school to the Granary to experience artistic, creative and inspirational activities connected to the main cultural programme at the Granary. These include watching performances, listening to live music, singing, playing rhythm games, meeting artists, looking at exhibitions, painting, sketching, printing and making things from natural products. We see between one and five classes each week. Each year group has an individual project. Children take part and learn according to their own pace, interest and ability.

Initial assessment of the impact of the pilot programme, since its launch in March 2023 has shown it to be transformative in terms of attendance (highest attendance day on 'a Granary day'), behaviours and a new positive can-do approach to art in children, teachers and carers. The school has reported *"more singing, more animated discussion about art and music, far more pride in creative work."* This impact is noted across the school with teachers feeling more confident to build arts teaching into their lessons. It is also felt across the wider village community with many people discovering Stapleford Granary and its work through their children and grandchildren. Members of the public often coordinate their visits to align with class visits (which take place in the public spaces) and we hear reports of parents choosing Stapleford Primary School for their children because of Small Grains.'

Kate Romano, Co-Artistic Director and CEO, Stapleford Granary 2023.

The pilot scheme runs to May 2024 and the programme is continually reviewed, researched and documented for future further impact assessment.

Discovery Days, school trips, art trails and Crafty Thursdays

In tandem with our Small Grains project, we run children's activity programmes throughout the year to encourage children to experience art and culture in its many forms. During 2023, these included:

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Pop-up Dinosaur Discovery Days (240 tickets sold out) held in our Orchard Room provided children with a hands-on and fully interactive dinosaur exhibition. Consisting of fossils, bones, shells, crystals, minerals and dinosaur footprints, children were able to examine specimens under a petrological microscope, find out what a geologist does and how to be a dinosaur detective.

Further pop-up Discovery Days (240 tickets sold out) featured strange and wonderful musical instruments to pluck, strum and strike, including a wide range of pitched percussion, bells, a deconstructed piano, folk harp, dulcimer, historical toy pianos and music boxes. There was a strong focus on the mechanics of sound production and hands-on exploration.

'The whole event was put together so beautifully and it was clear you'd really thought about the audience and engaging small people. It was just brilliantly done.'

Parent feedback, Discovery Day 2023

We presented six Crafty Thursdays (356 participants) which were drop-in days held in the school holidays, with activities including mask-making, autumn lanterns, seed planting, pebble painting, paper folding and crafts using things found in the garden.

In the run-up to Christmas, as part of our Advent programme, a Fairy Tale Trail, held over two days, welcomed 280 participants. This was a bespoke trail of 12 hand-crafted 'model box' fairy tale scenes throughout the Granary. They combined a light-touch approach to the tangled complex history of fairy tales with a treasure hunt.

'Simply magical ... inspiring in its timeless content as much as the creativity that went into making it. It appealed to us all from grandchildren to grandparents.'

Visitor feedback December 2023

Our unique Storytelling Sundays and children's theatre events established a new core audience for children's theatre selling 98% of the available tickets. Two shows, written specifically for Stapleford Granary by Kate Romano, were further developed into educational school trips.

The half-term week in February 2023 featured 'Mythical Creatures', inspired by Sadie Brockbank's fantastical sculptures on show in our gallery space at that time. This resulted in a community-made 'Cabinet of Curiosities', and a hugely popular art trail around the site. We now create art trails for every exhibition. The 'Blue Dog' sculpture that featured in Sadie Brockbank's exhibition has become an important metaphor for what it means to be 'culturally curious' for the children of Stapleford Primary School.

Other school trips for Milton Road Primary and Linton Primary schools focused on nature, patterns and shadows inspired by Ian Turnock's sculptures.

'We had high hopes for this trip and we were not disappointed. We loved how much was fitted into the visit ... the children were motivated, excited and we heard them talking about it afterwards to parents and carers, sharing all they had learned.'

Milton Road Primary School, 2023

Reflecting on 2023

In completing this report, to accompany the Charity's financial statements for 2023, it is impossible to overlook the progress the Charity has made since our last 'normal' pre-pandemic year in 2019. We had then achieved our best-ever year and were subsequently plunged into survival mode in 2020 and 2021. We initially emerged very tentatively from the shut-down of the travel sector and the lock-down of other activities previously taken for granted. In 2022, we allowed ourselves to believe that we had come through the worst and our report, 12 months ago, acknowledged the efforts of our entire team to pull us through the months of uncertainty and anxiety.

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2023 has felt completely different. Not only has it been our 65th anniversary year as a charity, but we have also undoubtedly made further progress in our vision of fostering cultural understanding through education.

This is largely thanks to the outstanding and dedicated work of all our staff to whom the trustees wish to convey their gratitude. As noted elsewhere in this report, the excellence and expertise of our Tours' team (both in-house and our freelance tour directors and managers) has been deservedly recognised once again by receipt of awards from the British Travel Association and from the customer review platform feefo. Their willingness always to go the extra mile for our travellers is demonstrated daily by the feedback and plaudits they receive.

The Stapleford Granary team is led by Kate Romano.. She is supported by a small team who, together, achieve the delivery of an astonishing range of events and activities, created with imagination, flair and an unfailing eye for ensuring the very best cultural experience for each and every visitor. From the warm welcome from our café staff, to the dedication of our volunteer force, every member of the Granary team has contributed hugely to the success of the year, for which the trustees' pass on their thanks.

Looking forward to 2024

The trustees and executive team consider that the current strategic direction of the Charity (and its trading subsidiaries) is fulfilling the Charity's objectives. Therefore, the focus for 2024 is to continue to build on the reputation the Charity has established in cultural education and understanding. As at the date of this report, the trustees have agreed the following priorities:

- Undertaking extensive site redevelopment to open more public spaces, including a new combined gallery/performance space and conference area. This also includes opening the heritage orchard which borders the River Granta chalk stream eco-system and drawing the landscape and environment into our educational work.
- Continuing to develop a full year-round cultural educational programme (including Small Grains) which maintains the reputation of Stapleford Granary for providing access to a range of high-quality inspirational cultural experiences.
- Developing additional tours to augment and expand the range currently offered by ACE Cultural Tours, with a view to promoting further the benefits of cultural education through travel to a younger demographic.
- Revisiting our grants and bursaries scheme to strengthen the connection with relevant organisations and individuals whose work directly fosters cultural education and understanding.

Grant Making Policy

Over the period of the pandemic and the post-pandemic focus on re-establishing the Charity's core activities, the trustees acknowledge that grant-making has ceased to be one of those core activities. Only one grant was made in 2023 (to the Spanish Ornithological Society). During 2024, the trustees intend to revisit the grants and bursaries scheme as indicated above.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the Charity has the freedom to invest in a wide variety of assets. During 2023, the trustees created a finance and investment sub-committee whose remit includes the management of the Charity's investment portfolio. The sub-committee has formal delegated authority from the trustee board. It has reviewed the arrangements with the Charity's external investment managers advisers and has revised the Charity's investment policy statement.

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The Charity has invested in its two trading subsidiaries and more about this is covered below.

Trading Subsidiaries

The Charity owns a trading subsidiary, ACE Cultural Tours Limited (Tours). Tours previously owned a subsidiary, ACE Cultural Tours (Transport) Limited. This latter company was required for technical reasons which are no longer relevant since the United Kingdom has left the European Union. It was therefore formally dissolved on 12th December 2023.

Tours provides travel services covering a range of cultural and educational topics which support the objectives of the Charity. It also provides some grants to people, places and events connected with its travel services and aligned with the parent Charity's objectives. Business volumes for 2023 have recovered to 90% of pre-Covid levels. In 2023 tours were arranged to 26 countries from Albania to Algeria, the USA to Uzbekistan. These were led by 39 expert Tour Directors with logistical support provided by 13 skilled Tour Managers. New itineraries included the Polish Arts & Crafts movement and an exploration of the Swiss mountain landscapes which inspired so many artists. A long-awaited return to Japan was also possible after a few years' absence. These sat alongside perennial favourites such as the sumptuous Douro River Cruise and the Byzantine mosaics of Ravenna.

The customer base of Tours remains loyal with a high percentage of repeat bookings. A continued focus on customer service has been externally acknowledged by the receipt of the British Travel Awards 'Best Small Travel Company for Arts & Culture Holidays 2023'. This is the second successive year the company has received this gold award. The company also received feefo's 'Platinum Trusted Service Award' for 2023 and 2024 based on feedback provided by customers.

Stapleford Granary Limited is also wholly owned by the Charity. It operates the café as well as co-ordinating commercial hires and providing catering services for on-site activities. It has been instrumental in increasing footfall to the Stapleford Granary site to 60,000 over the 2023 year, which, in turn, has encouraged interest in and support for our charitable activities.

Both the trading subsidiaries mentioned will donate profits that are not required to support the development of their own activities to the parent Charity. They also help in their own right to further the purpose of the Charity as stated in its objectives. In accordance with the Charity Commission's guide to investing charity money (CC14), the trustees therefore consider both subsidiaries to be social investments.

FINANCIAL REVIEW

The statement of financial activities for the 12 months to 31 December 2023 shows the total income increased to £6,372,365 (2022: £4,588,149).

The Charity continues to hold investments in government securities and shares with a market value of £2,088,769 (2022: £2,094,732).

Total income of ACE Cultural Tours Limited for the 12 months to 31 December 2023 rose to £5,650,826 (2022: £4,255,528). The profit for the year after tax was £129,169 (2022: £507,225). No gift aid was donated to the Charity in 2023 (2022: £NIL) as a result of efforts to increase reserves in the subsidiary and build its resilience. In the course of 2020 and 2021 the Charity provided loans totalling £1m on commercial term to ACE Cultural Tours to provide working capital during the Covid period. During 2023, capital of £500,000 was repaid by ACE Cultural Tours to the Charity. The net assets of ACE Cultural Tours Limited at the end of the year were £567,244 (2022: £438,075).

Total income of Stapleford Granary Limited for the 12 months to 31 December 2023 rose to £281,671 (2022: £84,847 for 13 months). The net liabilities of the company were £15,442 (2022: £20,650).

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Two units were let in the year which has resulted in them being transferred from fixed assets to investment properties.

The net assets of the Group as shown in the balance sheet as at 31 December 2023 were £7,236,018 (2022: £7,096,192), an increase of £139,826.

Funds

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

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 centre for the arts, to provide office and workshop accommodation and spaces for meetings and education.

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 ensures the long-term security and return to pre-pandemic levels of the subsidiary's activities.

Restricted funds

This fund contains the legacy from the estate of Beryl Wallis. This legacy is to be used in the area of classical music.

General funds

The general fund represents the amount of unrestricted funds available to the Charity.

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, to provide some protection from unforeseen events 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 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 support to be provided to all elements of the Group for a minimum of 12 months. The trustees forecast this to be in the region at least £1,000,000, but that it is desirable to hold £2,000,000 in order to provide significant resilience against most risks.

The Charity previously designated a Capital Fund, representing investments held to generate income and capital growth to support the long-term sustainability of the Charity. In line with the increased reserves policy above, these funds have been undesignated and the Trustees acknowledge these funds may need to be drawn upon in the future. They hope any surplus funds in future years may allow them to re-establish a Capital Fund.

At the year end the Charity had total funds of £7,236,018 including restricted funds of £206,389. Of the £7,029,629 unrestricted funds, the trustees have designated the Property Fund at £3,909,904 and the subsidiary support fund at £500,000.

After taking into account the subsidiaries' retained earnings and capital of £551,803, the Group and Charity's free reserves as of 31 December 2023 are £2,067,922 (2022: £(295,594)) which is in line with the upper target

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of £2,000,000. The subsidiary support fund has been reduced by £500,000, and it is forecast to be reduced to £0 by early 2025. This will contribute to the improvement of free reserves, along with an expected resumption of gift-aid payments from the subsidiary up to the Charity.

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.

During 2023, following a formal recruitment process, four new trustees were elected to the board at the AGM on 25 July 2023.

Policies adopted for the induction and training of trustees

Prior to their proposed election to the board, prospective trustees have detailed discussions with the chair and the general secretary to explain and understand the constitution of the Charity and its subsidiaries. They are introduced to other trustees and to relevant members of the executive team. Where appropriate, they spend time with the head of finance to understand the financial model and associated financial policies. Prospective candidates are directed specifically to all Charity Commission Guidance relevant to new trustees and are given copies of the Charity's governing documents. Prior to election, each prospective trustee attends at least one trustee meeting as an observer.

Prospective trustees are selected on the basis on their past experience of working on a charitable or business board and in respect of the specific skills they will bring to the Charity's governance and leadership. Regular updates on changes to charity law/Charity Commission Guidance are provided to trustees.

Pay policies for senior staff

The Charity considers its key management personnel comprise the trustees, the CEO (and co-Artistic Director) 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 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. Three received remuneration in the year in respect of four directors' 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 subsidiary directors is reviewed annually by the trustees. Salaries are periodically benchmarked to ensure that the remuneration set is fair and in line with that generally paid for similar roles.

In March 2023, following the retirement of Paul Barnes as general secretary of the Charity, Christine Berry was appointed part-time on an interim basis of 12 months, to the general secretary role. Her role is not remunerated and she continues to be a member of the trustee board.

Organisational structure and decision making

The Association for Cultural Exchange 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, in conjunction with other members of the senior team.

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Risk management

During 2023 the trustees and management team undertook a comprehensive risk analysis and are satisfied that appropriate measures have been taken to mitigate those risks as far as possible. Emergency procedures (including first aid training) and contingency plans have been improved. The trustees and management team 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. At Stapleford Granary the health and safety of staff, performance artists and the general public on the site is a key risk issue.

A key element of managing financial risk for the Group is the setting of a reserves policy which now forms part of the delegated remit of the finance and investment committee. The updated Reserves Policy was approved by trustees at their meeting on 22 November 2023.

Information on fund raising practices

The Charity does not currently rely on fund raising as a major source of income and nor does it employ or engage professional fund raisers. We do, however, 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 fund-raising activities increase in the future, the Charity is committed to avoiding any intrusive fund raising approaches and would 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.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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 they are aware, there is no relevant audit information of which the Group's auditors are unaware, and
- 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, have been taken.

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: 17 June 2024

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

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 2023 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 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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)

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.

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)

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.

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)

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.

PEM

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: 17 June 2024

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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	4	3,286	206,389	209,675	14,781
Charitable activities	5	95,117	-	95,117	97,740
Trading activities	6	5,932,497	-	5,932,497	4,351,384
Investments	7	135,076	-	135,076	124,244
TOTAL INCOME		6,165,976	206,389	6,372,365	4,588,149
EXPENDITURE ON:					
Raising funds:	8,9				
Trading activities		5,732,707	-	5,732,707	3,784,495
Investment management		20,524	-	20,524	22,059
Charitable activities		578,057	-	578,057	640,890
TOTAL EXPENDITURE		6,331,288	-	6,331,288	4,447,444
NET (EXPENDITURE)/INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS		(165,312)	206,389	41,077	140,705
Net gains/(losses) on investments		120,742	-	120,742	(630,259)
NET (EXPENDITURE)/INCOME BEFORE TAXATION		(44,570)	206,389	161,819	(489,554)
Taxation		(21,993)	-	(21,993)	-
NET MOVEMENT IN FUNDS		(66,563)	206,389	139,826	(489,554)
RECONCILIATION OF FUNDS:					
Total funds brought forward		7,096,192	-	7,096,192	7,585,746
Net movement in funds		(66,563)	206,389	139,826	(489,554)
TOTAL FUNDS CARRIED FORWARD		7,029,629	206,389	7,236,018	7,096,192

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

The notes on pages 23 to 49 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 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	3,396,373	3,747,577
Investments	17	2,088,769	2,094,732
Investment property	16	553,000	161,000
		<u>6,038,142</u>	<u>6,003,309</u>
CURRENT ASSETS			
Stocks	18	4,593	3,803
Debtors	19	499,768	360,778
Cash at bank and in hand		2,294,711	2,079,973
		<u>2,799,072</u>	<u>2,444,554</u>
Creditors: amounts falling due within one year	20	(1,583,278)	(1,325,004)
NET CURRENT ASSETS		<u>1,215,794</u>	<u>1,119,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,253,936</u>	<u>7,122,859</u>
Creditors: amounts falling due after more than one year	21	(17,918)	(26,667)
TOTAL NET ASSETS		<u><u>7,236,018</u></u>	<u><u>7,096,192</u></u>
CHARITY FUNDS			
Restricted funds	23	206,389	-
Unrestricted funds	23	7,029,629	7,096,192
TOTAL FUNDS		<u><u>7,236,018</u></u>	<u><u>7,096,192</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 ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00604757

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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: 17 June 2024

The notes on pages 23 to 49 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 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	3,356,904	3,709,132
Investments	17	2,656,014	2,532,808
Investment property	16	553,000	161,000
		6,565,918	6,402,940
CURRENT ASSETS			
Stocks	18	-	991
Debtors	19	660,158	1,088,499
Cash at bank and in hand		165,141	49,215
		825,299	1,138,705
Creditors: amounts falling due within one year	20	(139,756)	(434,301)
NET CURRENT ASSETS		685,543	704,404
TOTAL NET ASSETS		7,251,461	7,107,344
CHARITY FUNDS			
Restricted funds	23	206,389	-
Unrestricted funds	23	7,045,072	7,107,344
TOTAL FUNDS		7,251,461	7,107,344

The Charity's net movement in funds for the year was £14,948 (2022 - £(981,900)).

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 ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00604757

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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: 17 June 2024

The notes on pages 23 to 49 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 2023

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	24	89,176	310,830
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		135,076	124,244
Proceeds from the sale of intangible assets		250	3,385
Purchase of tangible fixed assets		(20,369)	(135,001)
Net proceeds from investments		10,605	11,742
NET CASH PROVIDED BY INVESTING ACTIVITIES		125,562	4,370
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		214,738	315,200
Cash and cash equivalents at the beginning of the year		2,079,973	1,764,773
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	2,294,711	2,079,973

The notes on pages 23 to 49 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 2023

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 2023. In particular, the Charity's travel subsidiary ACE Cultural Tours has returned to profitable trading and has repaid £500,000 of the loan provided by its parent to support its activities during the Covid-19 pandemic.

The Charity continues to provide a small amount of financial support for the 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 2024 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 2023

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted 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.

Income from the sale of food, beverages and merchandise is recognised at the point of sale.

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 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. 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 2023

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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. 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 land	- Not depreciated
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

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. 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. Where a property previously held within tangible fixed assets is let to a third party, it is transferred to investment property and revalued.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTINUED)

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.

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 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.

2.13 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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2. ACCOUNTING POLICIES (CONTINUED)

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.

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 a sustained increase in net assets. The investment in subsidiary companies is broken down in note 17.

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4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	3,286	-	3,286	14,781
Legacies	-	206,389	206,389	-
	<u>3,286</u>	<u>206,389</u>	<u>209,675</u>	<u>14,781</u>
TOTAL 2022	<u>14,781</u>	<u>-</u>	<u>14,781</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Performances and events	95,117	95,117	97,740
	<u>95,117</u>	<u>95,117</u>	
TOTAL 2022	<u>97,740</u>	<u>97,740</u>	

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6. INCOME FROM TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bar, café and conferences	281,671	281,671	93,271
Tours	5,650,826	5,650,826	4,258,113
	<u>5,932,497</u>	<u>5,932,497</u>	<u>4,351,384</u>
	<u><u>4,351,384</u></u>	<u><u>4,351,384</u></u>	
TOTAL 2022			

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income	65,785	65,785	74,010
Investment income	46,220	46,220	47,988
Bank interest	23,071	23,071	2,246
	<u>135,076</u>	<u>135,076</u>	<u>124,244</u>
	<u><u>124,244</u></u>	<u><u>124,244</u></u>	
TOTAL 2022			

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8. EXPENDITURE ON RAISING FUNDS

TRADING EXPENSES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tour expenses	4,322,824	4,322,824	3,113,556
Other trading expenses	469,630	469,630	150,270
Wages and salaries	810,761	810,761	427,898
National insurance	74,845	74,845	50,758
Pension costs	39,820	39,820	31,989
Depreciation	14,827	14,827	10,024
	<u>5,732,707</u>	<u>5,732,707</u>	<u>3,784,495</u>
	<u><u>5,732,707</u></u>	<u><u>5,732,707</u></u>	<u><u>3,784,495</u></u>
TOTAL 2022	<u>3,784,495</u>	<u>3,784,495</u>	
	<u><u>3,784,495</u></u>	<u><u>3,784,495</u></u>	

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	13,344	13,344	15,010
Staff time spent managing investments	7,180	7,180	7,049
	<u>20,524</u>	<u>20,524</u>	<u>22,059</u>
	<u><u>20,524</u></u>	<u><u>20,524</u></u>	<u><u>22,059</u></u>
TOTAL 2022	<u>22,059</u>	<u>22,059</u>	
	<u><u>22,059</u></u>	<u><u>22,059</u></u>	

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10. ANALYSIS OF GRANTS

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Total funds 2023 £	Total funds 2022 £
Education	110	14,485	14,595	21,375
TOTAL 2022	6,380	14,995	21,375	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Performances and events	190,201	-	333,074	523,275	601,386
Education	-	14,595	40,187	54,782	39,504
	190,201	14,595	373,261	578,057	640,890
TOTAL 2022	323,790	21,375	295,725	640,890	

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11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Performances and events 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	72,033	72,033	199,507
Event expenses	71,259	71,259	95,266
Printing, stationery, newsletters and promotion	29,939	29,939	13,939
Computer expenses	11,373	11,373	11,210
Bank charges	5,597	5,597	3,868
	<u>190,201</u>	<u>190,201</u>	<u>323,790</u>
TOTAL 2022	<u>323,790</u>	<u>323,790</u>	

ANALYSIS OF SUPPORT COSTS

	Performances and events 2023 £	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	97,912	40,187	138,099	117,350
Printing, stationery, newsletters and promotion	115	-	115	(240)
Audit and accountancy fees (governance)	16,718	-	16,718	14,456
Administration, finance and IT	131,649	-	131,649	78,996
Depreciation	80,659	-	80,659	81,504
Professional fees and costs (governance)	6,021	-	6,021	3,659
	<u>333,074</u>	<u>40,187</u>	<u>373,261</u>	<u>295,725</u>
TOTAL 2022	<u>277,596</u>	<u>18,129</u>	<u>295,725</u>	

12. TAXATION

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

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13. AUDITORS' REMUNERATION

	2023	2022
	£	£
Auditor's remuneration - audit	19,440	18,000
Fees payable to the Charity's auditor in respect of:		
Auditor's remuneration - other services	7,290	7,250

The audit fee for the Charity was £10,800 (2022 - £10,000). Non-audit services for the Charity were £3,670 (2022 - £3,400).

14. STAFF COSTS

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	1,001,645	725,480	190,884	297,582
Social security costs	93,985	69,396	19,140	18,638
Contribution to defined contribution pension schemes	47,108	39,675	7,288	7,686
	1,142,738	834,551	217,312	323,906

During the year, termination payments totalling £80,000 were paid to two former employees. These payments were in recognition of their loyal service. These payments have been recognised in 'wages and salaries' above and were fully settled at the balance sheet date.

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

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	No.	No.	No.	No.
Charitable activities	3	5	3	4
Trading	34	27	-	-
	37	32	3	4

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14. STAFF COSTS (CONTINUED)

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	1	-

The Group considers its key management personnel comprise the trustees, the Stapleford Granary CEO, the General Secretary and the directors of the wholly owned subsidiaries, ACE Cultural Tours Limited and Stapleford Granary Limited.

During the year, three trustees (2022 - one) received fees and reimbursement of expenses in their capacity as four directors totalling £39,073 (2022 - £5,318).

The total employment benefits including employer's national insurance and pension contributions of the key management personnel for the Group was £240,408 (2022 - £250,856) and for the Charity was £70,965 (2022 - £88,976).

Trustee expenses paid on behalf of all trustees to cover meeting expenses totalled £1,215 (2022 - £72).

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15. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Plant and machinery £	Fixtures, fittings & instruments £	Total £
COST				
At 1 January 2023	3,643,577	257,600	557,995	4,459,172
Additions	995	499	18,875	20,369
Disposals	-	-	(1,405)	(1,405)
Transfers between classes	(301,400)	-	-	(301,400)
At 31 December 2023	<u>3,343,172</u>	<u>258,099</u>	<u>575,465</u>	<u>4,176,736</u>
DEPRECIATION				
At 1 January 2023	243,661	80,735	387,199	711,595
Charge for the year	32,462	17,953	45,071	95,486
On disposals	-	-	(1,218)	(1,218)
Transfers between classes	(25,500)	-	-	(25,500)
At 31 December 2023	<u>250,623</u>	<u>98,688</u>	<u>431,052</u>	<u>780,363</u>
NET BOOK VALUE				
At 31 December 2023	<u><u>3,092,549</u></u>	<u><u>159,411</u></u>	<u><u>144,413</u></u>	<u><u>3,396,373</u></u>
At 31 December 2022	<u><u>3,399,916</u></u>	<u><u>176,865</u></u>	<u><u>170,796</u></u>	<u><u>3,747,577</u></u>

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15. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Freehold property £	Plant and machinery £	Fixtures, fittings & instruments £	Total £
COST				
At 1 January 2023	3,643,577	257,600	296,970	4,198,147
Additions	995	499	3,024	4,518
Disposals	-	-	(1,405)	(1,405)
Transfers between classes	(301,400)	-	-	(301,400)
At 31 December 2023	3,343,172	258,099	298,589	3,899,860
DEPRECIATION				
At 1 January 2023	243,661	80,735	164,619	489,015
Charge for the year	32,462	17,953	30,244	80,659
On disposals	-	-	(1,218)	(1,218)
Transfers between classes	(25,500)	-	-	(25,500)
At 31 December 2023	250,623	98,688	193,645	542,956
NET BOOK VALUE				
At 31 December 2023	3,092,549	159,411	104,944	3,356,904
At 31 December 2022	3,399,916	176,865	132,351	3,709,132

Included in freehold property held by the group and charity is freehold land at an estimated cost of £400,000 (2022 - £400,000) which is not depreciated.

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16. INVESTMENT PROPERTY

GROUP AND CHARITY

	Freehold investment property £
VALUATION	
At 1 January 2023	161,000
Surplus on revaluation	116,100
Transfers from tangible fixed assets	275,900
	<u>553,000</u>
At 31 December 2023	<u><u>553,000</u></u>

Investment property is carried at fair value determined annually by the trustees. 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.

17. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Uninvested cash £	Total £
VALUATION			
At 1 January 2023	2,058,233	36,499	2,094,732
Additions	194,234	-	194,234
Disposals	(189,552)	-	(189,552)
Revaluations	(42)	-	(42)
Movement in the year	-	(10,603)	(10,603)
	<u>2,062,873</u>	<u>25,896</u>	<u>2,088,769</u>
AT 31 DECEMBER 2023	<u><u>2,062,873</u></u>	<u><u>25,896</u></u>	<u><u>2,088,769</u></u>
NET BOOK VALUE			
AT 31 DECEMBER 2023	<u>2,062,873</u>	<u>25,896</u>	<u>2,088,769</u>
AT 31 DECEMBER 2022	<u>2,058,233</u>	<u>36,499</u>	<u>2,094,732</u>

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17. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITY	Investments in subsidiary companies £	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION				
At 1 January 2023	710,001	2,058,233	36,499	2,804,733
Additions	-	194,234	-	194,234
Disposals	-	(189,552)	-	(189,552)
Revaluations	-	(42)	-	(42)
Movement in the year	-	-	(10,603)	(10,603)
AT 31 DECEMBER 2023	<u>710,001</u>	<u>2,062,873</u>	<u>25,896</u>	<u>2,798,770</u>
IMPAIRMENT				
At 1 January 2023	271,925	-	-	271,925
Reversal of impairments	(129,169)	-	-	(129,169)
AT 31 DECEMBER 2023	<u>142,756</u>	<u>-</u>	<u>-</u>	<u>142,756</u>
NET BOOK VALUE				
AT 31 DECEMBER 2023	<u>567,245</u>	<u>2,062,873</u>	<u>25,896</u>	<u>2,656,014</u>
AT 31 DECEMBER 2022	<u>438,076</u>	<u>2,058,233</u>	<u>36,499</u>	<u>2,532,808</u>

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17. 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 however the subsidiary does use forward exchange contracts to reduce exposure to foreign exchange risks and as such consider these to be 'hedges'. 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 £129,169. The amended carrying value represents the book value of net assets in ACE Cultural Tours Ltd on 31 December 2023.

During 2023, 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 2024 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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17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charity incorporated in the UK:

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
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

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	5,682,715	(5,553,546)	129,169	576,244
Stapleford Granary Limited	281,671	(276,463)	5,208	(15,442)

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18. STOCKS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Café consumables	4,593	2,812	-	-
Finished goods and goods for resale	-	991	-	991
	4,593	3,803	-	991

19. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	500,000	1,000,000
	-	-	500,000	1,000,000
DUE WITHIN ONE YEAR				
Trade debtors	4,541	1,565	791	1,565
Amounts owed by group undertakings	-	-	30,552	42,204
Other debtors	123,004	34,317	121,546	33,337
Prepayments and accrued income	372,223	307,336	7,269	11,393
Financial instruments	-	17,560	-	-
	499,768	360,778	660,158	1,088,499

The balance due after more than one year represents the remaining portion of a £1,000,000 loan advanced to the Charity's trading subsidiary, ACE Cultural Tours Limited. During the year, £500,000 was repaid by the subsidiary. 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.

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20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	10,000	10,113	-	-
Trade creditors	63,038	98,442	10,905	9,609
Amounts owed to group undertakings	-	-	68,278	374,961
Corporation tax	21,993	-	-	-
Other taxation and social security	43,811	35,987	17,587	8,859
Other creditors	20,117	20,000	-	-
Accruals and deferred income	1,424,319	1,160,462	42,986	40,872
	<u>1,583,278</u>	<u>1,325,004</u>	<u>139,756</u>	<u>434,301</u>

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 21.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income at 1 January 2023	1,044,269	718,379	543	4,853
Resources deferred during the year	1,301,252	1,044,269	4,187	543
Amounts released from previous periods	(1,044,269)	(718,379)	(543)	(4,853)
	<u>1,301,252</u>	<u>1,044,269</u>	<u>4,187</u>	<u>543</u>

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

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

	Group 2023 £	Group 2022 £
Bank loans	<u>17,918</u>	<u>26,667</u>

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

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 2023 £	Group 2022 £
BETWEEN ONE AND TWO YEARS		
Bank loans	10,000	10,000
	<u><u>10,000</u></u>	<u><u>10,000</u></u>
BETWEEN TWO AND FIVE YEARS		
Bank loans	7,918	16,667
	<u><u>7,918</u></u>	<u><u>16,667</u></u>

22. GRANTS ACCRUED

	2023 £	2022 £
Grants accrued b/fwd	-	-
Grants committed	14,595	21,375
Grants paid	(14,595)	(21,375)
	<u><u>-</u></u>	<u><u>-</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	2,094,732	-	-	(2,094,732)	-	-
Property fund	3,870,132	-	(80,659)	4,331	116,100	3,909,904
Subsidiary support fund	1,000,000	-	-	(500,000)	-	500,000
	<u>6,964,864</u>	<u>-</u>	<u>(80,659)</u>	<u>(2,590,401)</u>	<u>116,100</u>	<u>4,409,904</u>
GENERAL FUNDS						
General funds	(295,597)	201,590	(433,114)	2,590,401	4,642	2,067,922
Subsidiary funds	426,925	5,964,386	(5,839,508)	-	-	551,803
	<u>131,328</u>	<u>6,165,976</u>	<u>(6,272,622)</u>	<u>2,590,401</u>	<u>4,642</u>	<u>2,619,725</u>
TOTAL UNRESTRICTED FUNDS	<u>7,096,192</u>	<u>6,165,976</u>	<u>(6,353,281)</u>	<u>-</u>	<u>120,742</u>	<u>7,029,629</u>
RESTRICTED FUNDS						
Beryl Wallis Legacy	-	206,389	-	-	-	206,389
TOTAL OF FUNDS	<u><u>7,096,192</u></u>	<u><u>6,372,365</u></u>	<u><u>(6,353,281)</u></u>	<u><u>-</u></u>	<u><u>120,742</u></u>	<u><u>7,236,018</u></u>

THE ASSOCIATION FOR CULTURAL EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

Capital Fund

The Charity previously aimed 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. Following a reserves policy review during the year these funds have now been transferred to General Funds.

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. The transfer out represents the £500,000 repayment made during the year.

Subsidiary Funds

This fund represents the net assets held in the subsidiaries ACE Cultural Tours Limited and Stapleford Granary Limited.

RESTRICTED FUNDS

Beryl Wallis Legacy

This fund contains the legacy from the estate of Beryl Wallis. This legacy is to be used in the area of classical music.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	Group 2023 £	Group 2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	139,826	(489,554)
ADJUSTMENTS FOR:		
Depreciation charges	95,486	90,887
(Gains)/losses on investments	(120,742)	630,259
Dividends, interests and rents from investments	(135,076)	(124,244)
(Profit)/loss on the sale of fixed assets	(63)	2,988
Increase in stocks	(790)	(3,803)
Increase in debtors	(138,990)	(216,896)
Increase in creditors	249,525	421,193
NET CASH PROVIDED BY OPERATING ACTIVITIES	89,176	310,830

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	2,294,711	2,079,973
TOTAL CASH AND CASH EQUIVALENTS	2,294,711	2,079,973

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flows £	Other non- cash changes £	At 31 December 2023 £
Cash at bank and in hand	2,079,973	214,738	-	2,294,711
Debt due within 1 year	(10,113)	10,113	(10,000)	(10,000)
Debt due after 1 year	(26,667)	(1,251)	10,000	(17,918)
Currency derivatives	17,560	-	(17,560)	-
	<u>2,060,753</u>	<u>223,600</u>	<u>(17,560)</u>	<u>2,266,793</u>

27. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £47,108 (2022 - £39,675). Contributions totalling £117 (2022 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

28. RELATED PARTY TRANSACTIONS

During the year, the Charity recharged its subsidiary, ACE Cultural Tours Limited, £30,000 (2022 - £30,000) 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 (2022 - £6,000) in respect of office support costs.

As a result of the Covid-19 pandemic, the Charity loaned £1,000,000 to ACE Cultural Tours Limited in 2022. During the year, £500,000 of this loan was repaid. The loan incurs interest at a rate of 3% per annum and £18,745 (2022 - £30,404) 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.

As at 31 December 2023, £431,722 (2022 - £625,039) was due from ACE Cultural Tours Limited.

During the year, the Charity recharged its subsidiary, Stapleford Granary Limited, £10,000 (2022 - £5,833) in respect of rent. At the year-end, a balance of £30,552 (2022 - £42,205) was due from Stapleford Granary Limited. Stapleford Granary Limited paid loan interest amounting to £604 (2022 - £nil) to the Charity. It also paid £14,500 for the hire of rooms for conferences (2022 - £nil).

Three (2022 - one) trustees (John Bryden, Paul Jackson and Sarah Burles) received fees and expense reimbursements for services rendered in their capacity as tour directors and this is disclosed in note 14.