

Registered number: 00132142



**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

2018 DIRECTORS

Matthew Riley
Nick Taylor
Mike Haigh
Simon Innes
Dr Nelson Ogunshakin OBE
Paul Reilly
Tania Heap
Henry Pipe
Joanna Streeten
Geoff Hunt
David Barwell (appointed 27 February 2018)
Mark Naysmith (appointed 24 January 2018)
Clive Anderson (appointed 24 January 2018)
Ruth Jeffs (appointed 24 January 2018)
Rajiv Sudan
Athena Livesey
Neil Sadler
Steven Hale (appointed 25 January 2018)
Stuart Mackenzie

COMPANY SECRETARY

Dr Nelson Ogunshakin OBE

REGISTERED NUMBER

00132142

REGISTERED OFFICE

Alliance House
12 Caxton Street
London
SW1H 0QL

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

Association for Consultancy and Engineering (ACE) is the leading UK business association for consultancy and engineering companies working in the natural and built environment. ACE provides benefits and services to its members, facilitates business opportunities for them, and seeks to resolve challenges they face. ACE also facilitates commercial relationships through its affiliate and strategic partnership programme for the benefit of members.

DIRECTORS

The directors who served during the year were:

Mike Haigh	Chairman
Nick Taylor	First Vice Chair and Chair Property Group
Matthew Riley	Second Vice Chair and Chair, ACE London & regional Group
Rajiv Sudan (appointed 01/01/2017)	Chair, ACE Membership Group
Gavin English (resigned on 24/01/2018)	Immediate Past Chair, ACE
Athena Livesey (appointed 01/01/2017)	Chair, Progress Network Group
Simon Innes	Chair, ACE Scotland Regional Group
Jeannie Edwards (resigned on 24/01/2018)	Chair, ACE Best Business Practice Group
Dr Nelson Ogunshakin OBE	Chief Executive and Company Secretary
Joanna Streeten (appointed 01/01/2017)	Chair, ACE Public Affairs Group Special Interest Group
Neil Sadler (appointed 01/01/2017)	Chair, Wales Regional Group
Andrew Cowell (resigned on 02/05/2017)	Chair, ACE Utility Sector Interest Group and Chair, ACE Finance Executive Group
Alan Barr (resigned on 02/05/2017)	Chair, ACE Northern Ireland
Stuart Mackenzie (appointed 02/05/2017)	Chair, ACE Northern Ireland Regional Group
Henry Pipe	Chair, ACE Legal & Commercial Group
Graham Nicholson (resigned on 24/01/2018)	Past Chair, ACE and Chair ACE Technician Apprenticeship Consortium
Patrick Flaherty (resigned on 24/01/2018)	Chair, ACE Major Projects Group
Michael Brown (resigned on 24/01/2018)	Chair, ACE SME Forum
Bernard Obika (resigned 24/01/2018)	Chair, International Business Group
Clare B Marshall (resigned on 24/01/2018)	Co-opted Board Member-Risk Management
Tania Heap (appointed on 02/05/2017)	Chair, ACE HR Task Force
Geoff Hunt (appointed on 23/01/2017)	Chair, ACE Large Consultancy Group
Paul Reilly (appointed on 02/05/2017)	Chair, ACE Finance Executive Group
Mike Barber (resigned on 02/05/2017)	Chair, ACE Northwest Regional Group

VISION AND MISSION

Vision: ACE's vision is to be acknowledged as the single unified voice and the business association of choice for organisations providing professional consultancy services in the built and natural environment.

Mission: ACE promotes the critical contribution that professional consultants, working in the built and natural environment, make to the nation's developing infrastructure. ACE listens to its members, understands the issues affecting them and their clients and takes the lead in representing their interests to decision makers and opinion formers in government, client organisations and the media.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

BUSINESS REVIEW

The ACE Director's Report is issued following the start of a new Corporate Plan 2017 2019. We are pleased to report the following highlights of 2017 which has seen all ACE events and publications now transferred to Victoria Street Capital Limited (VSCL) in terms of its delivery.

THE VOICE OF THE UK INDUSTRY

The ACE voice of the industry activities during the year under review includes:

- **Infrastructure Intelligence: building the brand** - The bi-monthly magazine and website platform has continued to develop further over the last 12 months. Following a review of operations and resources, the number of weekly email updates was reduced from three to two during the year and the days changed to Tuesday and Thursdays as these were felt to be more user friendly for recipients. The email updates, which drive traffic to the www.infrastructure-intelligence.com website, are currently sent to 20,000 recipients across the industry. This figure was increased during the year with the addition of new data from ACE member firms and industry stakeholders as part of an ongoing subscriber campaign. In October a new full-time reporter was appointed, and this post is already paying off in terms of the increased news and features being produced. Social media continues to be an important promotional tool for Infrastructure Intelligence, with another 500 Twitter followers being added during the year to increase the title's reach to over 2,500 followers.
- **Media Coverage** - ACE secured coverage across external media including trade, regional and mainstream outlets, and we continued to work closely with Infrastructure Intelligence on a day-to-day basis. Highlights include the construction industry's Brexit manifesto in November which was covered by a number of outlets including The Daily Telegraph, The Guardian and The Independent, while our call for a minister for infrastructure in April was picked up by leading business daily free-sheet City AM who covered it at length. Furthermore, we continued to strategically place comment, opinion pieces and blogs from ACE, Environmental Industries Commission Limited (EIC) and Technician Apprenticeship Consortium (TAC) work across a range of specialist/sector magazines and websites, profiling members, directors and key industry topics wherever possible.
- **Social Media** - ACE's social media activity has continued to grow and is being used strategically to engage and expand reach, as well as improve influence. ACE's Twitter account (@ACE_Updates) has 1,634 followers, an increase of 21% compared to the previous year. Although fewer Tweets were issued (740 in 2017 compared to 1,224 in 2016), engagement with the target audience has risen. For example, the average impressions per Tweet for 2017 was 468 compared to 322 the previous year, and the average engagement rate in 2017 was 7.4 per Tweet compared to 2.6 in 2016. In addition, the retweet rate increased by 33.5% compared to the previous year. The number of followers on LinkedIn increased by 140, bringing the total up to just over 700. Just under 40 videos were uploaded to YouTube in 2017, these included footage of events, interviews with members and promotional material for various activities held during the year. It is envisaged that social media will continue to be a valuable channel for raising the organisation's profile as well as reaching thought leaders and influencers in the mid to long term.
- **Parliamentary Reception** - The Parliamentary Reception this year was held in the Terrace Room of the House of Commons on the 8 November 2017. The keynote speakers were Baroness Brown of Cambridge and Mathew Riley CEO of Ramboll. ACE's Chair, and Dr Nelson Ogunshakin ACE CEO also spoke. Over 180 people attended.

INCREASE AND DIVERSIFY REPRESENTATION

ACE main representative's activities for the year were as follows:

- **Membership** - ACE had 444 member companies with a total UK headcount of 63,794 at the end of 2017. The split of this membership is as follows: 11.9% are solo practices, 81.8% are SME's (less than 250 staff

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

in UK), 3.8% are mid-size companies (250 to 1000 staff) and 2.5% are large consultancies (more than 1000 staff).

- **Large Consultancy Group** - The Group continued to welcome high profile guests to its dinners throughout 2017 including: Lord Paul Deighton, Chairman of Heathrow Airport; Andrew Rose, CEO of Global Infrastructure Investor Association; Geoffrey Spence, Global Head of Infrastructure at Lloyds Bank; and Greg Bentley, President and CEO of Bentley Systems. Pre-dinner speakers included representatives from our Affiliates; the events attracted chief executives from most of our large consultancy firms.
- **Small & Medium Enterprise (SME) Group** - The Group met formally three times in 2017. It organised two evening drinks receptions which were funded by sponsors, and in addition one of our Affiliates organised and funded an SME business-focused conference to which our SMEs were invited. The SME events have attracted up to 100 attendees.
- **Progress Network Group (PNG)** - ACE's group for early career professionals now has active sub-groups in Scotland, Wales, Northern Ireland, Northern, North-west, Midlands, and London and South East, as well as the Middle East. Collectively, 14 events were held with industry, business and networking themes. Some events continue to attract over 100 emerging professionals. In addition to the events, an industry reverse mentoring pilot was launched by Progress Network, which involved ten ACE member companies.
- **Technician Apprenticeship Consortium (TAC)** - ACE has supported and provided a home for TAC since June 2012.
- **HR Task Force Group** - The Group continues to address people management and employment issues impacting on member businesses and to provide a strong platform for the promotion and dissemination of best practice in human resources. The Group met four times during 2017 with presentations on the Apprenticeship Levy, Gender Pay Reporting, General Data Protection Regulations (GDPR), Modern Slavery Act, Wellness Building Standards, Sponsoring Non-EU Workers and the IET Benevolent Fund.
- **Regional activities** - ACE has engaged part-time managers for Scotland, Wales and Northern Ireland. Each of the three devolved nations together with the North-West, Northern, Midlands, and London and South-East regions has a chair and committee which meet on at least a quarterly basis to focus on policy, industry and business issues affecting their region. Additionally, 12 events were held in Belfast, Glasgow, Manchester, Birmingham and London. In 2017 the English regions started to focus their attention on the agendas of the new metro mayors.
- **Affiliates** - ACE has retained all eleven of its Affiliates into 2017. Currently ACE has two English legal affiliates (plus a legal affiliate each in Scotland and Northern Ireland), three insurance brokers, three software technology providers, and one risk consultancy. Discussions are taking place to secure a Welsh legal Affiliate, a third English legal Affiliate, and East of England legal Affiliate, an accountancy Affiliate and two further technology Affiliates.
- **Legal and Commercial Group** - The Legal and Commercial Group continues to address the legal, commercial liability, risk and insurance issues impacting on member businesses and provides a strong platform to raise the profile and represent members' interests within the construction and engineering industry. In 2017, the Group progressed its programme of developing best practice articles and briefing notes on key topics such as Contract Good Practice Guide, Pre-Contract Risk Management, Novation Good Practice Guide and Negotiating Limits of Liability and Guidance on PI cover. Engagement with government and other industry bodies will continue in 2018.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

IMPROVE THE BUSINESS ENVIRONMENT IN WHICH ACE OPERATES

- **ACE National Conference and Consultancy & Engineering Awards** - The UK government unexpectedly called a snap general election which forced ACE to cancel the 2017 National Conference. Separately, the Consultancy & Engineering Awards dinner was held on 7 June 2017 at the Marriott Grosvenor Square Hotel with 370 attendees.
- **European CEO Conference and Awards** - The conference was held at EBRD, London, on 9 and 10 November 2017 sponsored by Bentley Systems, BST Global and Deltek with 115 attendees coming together from 14 nations. The annual ACE Parliamentary Reception was held on 8 November, sponsored by Ramboll, MWH and Burges Salmon and 179 industry executives attended. The European CEO Awards was held on 9 November at One Great George Street, London with 109 guests in attendance.
- **Benchmarking 2017** - The 2017 Benchmarking programme continues to be the industry's key performance indicator. This year the firms participating reached a record, employing over 100,00 staff and generating £9.35bn in revenue. The information contained within the Benchmarking Report continues to be utilised and presented as evidence to government and stakeholders as part of ACE's lobbying and representational activities.
- **The European CIO Conference** - This was a new event and compliments the ECC, launched and hosted at the Royal Academy of Engineering, London, on 31 November and 1 December 2017 sponsored by Bentley Systems, Microsoft and BST Global with 58 attendees. It was deemed a success and the second iteration of this event is now scheduled to take place on 20-21 June 2018.
- **Engagement with governments** - 2017 was a year that was dominated by Brexit negotiation and a spring general election that have tended to dominate the political agenda with the result that the last quarter of 2017 has been particularly busy. Despite this, ACE has been able to continue to influence the national agenda by meeting with ministers in both national and devolved government. ACE has also been closely involved with members to determine the needs of the industry following the decision to leave the European Union and working with government departments to assist UK ministers in their negotiations with EU officials
- **Engagement with other stakeholders** - Stakeholder engagement continues to be the foundation on which ACE's political engagement happens and so we have a close working relationship with other members of the Infrastructure Alliance and member firms. We have continued to have meetings with and coordinate our responses with the CBI, GLA, London First, NIC, IPA, Highways England, local authorities and the IOD to name a few.
- **International Business Group (IBG)** - The Group met four times in 2017 with presentations on Brexit issues, the UK Infrastructure Export Initiative, the Qatar crisis and UK export finance. ACE was represented at the FIDIC conference which was held in Indonesia from 1 to 3 October 2017 by the ACE CEO, Past Chair, Advisory Board Member and IBG Chair. The conference was themed 'Resilient Infrastructure – Improving Life'. Past ACE chair Gavin English was elected on to the FIDIC Executive Committee. ACE also provided, for the first time, marketing and local support to the FIDIC Contract User's conference in London during December 2017 when the new sets of FIDIC 2017 Contracts was released.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

PROVIDE BUSINESS INFORMATION, GUIDANCE, SERVICES AND STANDARDS TAILORED TO ACE MEMBERSHIP

ACE continued to deliver value for money information-based services for its members and wider industry stakeholders with following coverage during the year:

- **Sector Interest Group (SIG) meetings and engaging stakeholders** - 2017 was a disrupted year due to the surprise general election in the spring that prevented work from being undertaken. Recognising the fall in levels of engagement with the SIGS, ACE conducted a wholesale review and relaunch of the SIG programme that has led to a significant increase in engagement. Meetings have been held with GLA, Network Rail, Highways England, and the Environment Agency as part of the work programme.
- **Health and Safety Group** - ACE's Health and Safety Group continues to be a successful forum for experts in health and safety in the engineering sector. In 2017 the Group held a series of regional health and safety seminars covering Driving for Work, Health & Wellbeing, Liability for Out of Office Activities, and legal updates on health and safety.
- **ACE Suites of Agreements** - The new ACE Professional Services Agreement 2017 which replaced ACE Agreements 1 and 3 and applies to all UK jurisdictions, was published at the beginning of 2017, together with a new Sub-Consultancy Agreement which states the Agreement's main terms and conditions. These were followed by new ACE Schedules of Services for Civil and Structural Engineering (both Lead and Non-Lead Consultant) and Mechanical Electrical and Public Health Engineering (Lead and Non-Lead) which replaced the previous Schedules. To assist users, the work stages within the Schedules were aligned with the RIBA Plan of Work 2013. Later in the year digital versions of all the documents were produced. In the context of ultimately producing a complete suite of Agreements a first draft of an updated Agreement 9, Certification of Structural Design (for use in Scotland), was produced for comment and work on an updated Homeowner Agreement 5 and Agreement 2 Advisory, Investigatory and other Services commenced. The ACE's Legal and Commercial Group recommended that ACE should produce a standard form of Funder's warranty. Draft amendments to the collateral warranty that now forms part of the new Professional Services Agreement, have been produced. Publication is anticipated in Spring 2018.
- **The Infrastructure Conditions of Contracts (ICC)** - In April 2017, ACE published a Sub-Contract for use with the ICC Conditions. A revised ICC Target Cost contract was produced, together with a separate set of Guidance notes which will both shortly be published. In addition, work has almost concluded on the production of a revised ICC Design and Construct contract. ACE has worked with Network Rail which intends to use the new contracts and is in discussion with ACE regarding a licence in this respect.
- **Adjudicator Nominating Body (ANB)** - ACE is an adjudicator nominating body and this service is highlighted on ACE's website with an appropriate nomination form and background information in relation to adjudication in construction contracts. ACE nominated four adjudicators during 2017 and planned to promote this service in 2018.
- **Helpline Resource Hub: Telephone Risk Management Advice** - ACE members continued to have access to a telephone advice line operated by the Legal Team as part of the Resource Hub. The service provides risk management advice to members covering Contracts (Construction and Commercial), Procurement, HR, Governance and Compliance, Regulatory and procurement. Additionally, some enquiries were referred to ACE's legal Affiliates who provided an initial free telephone consultation.
- **HR Taskforce Group** - The HR Taskforce Group continues to address people management and employment issues impacting on member businesses and to provide a strong platform for the promotion and dissemination of best practice in human resources. The Group met four times during 2017 with presentations on the Apprenticeship Levy, Gender Pay Reporting, General Data Protection Regulations (GDPR), Modern Slavery Act, Wellness Building Standards, Sponsoring Non-EU Workers and the IET Benevolent Fund.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

- **Resource Hub: Guidance and Training** - ACE's Legal Team organised useful guidance notes and access to training via its Resource Hub on the ACE website. Highlights included a roadshow of legal updates on key issues including cyber risk management. The regional roadshows took place in March 2017 in London, Manchester, Birmingham, Belfast, and Glasgow.
- **ACE Members Pension Scheme** - The promotion of the ACE Complete Pension Trust to members continued with the support of ACE partner, Charles Stanley Financial Services. SMEs employing fewer than 50 staff had until April 2017 to auto-enrol their employees.
- **Diversity and Inclusion** - ACE continues to engage with a wide range of stakeholders across the industry in the area of diversity and inclusion. ACE is currently working through the Royal Academy of Engineering (RAEng) to develop Procurement Diversity Guideline for the Transport sector: Network Rail, Crossrail, HS2, Transport for London, Highways England on improving diversity and inclusion through procurement within that sector and along their supply chain. This guideline will be published in 2018.

OPERATE DYNAMIC AND SUSTAINABLE BUSINESS STRUCTURE

The year saw continued development of ACE's corporate and business operations to secure its future with the following activities:

- **Corporate Development & Governance** - A new three-year ACE Corporate Plan was developed, approved by the Board in 2016 and issued for implementation at the start of 2017. A new operating structure was rolled out from March and the changes are now fully completed by the end 2017. The 2017 Board Handbook and complimentary Project Deployment Plans was also issued in early 2017. These two corporate documentations will be kept live to reflect the necessary changes to the operating process adopted and ensure the organisation is fit for the future.
- **Client Relationship Management (CRM)** - The newly rolled out Microsoft Dynamics CRM system continues to be used by all staff for membership, finance, engagement groups, marketing and event purposes. The imminent implementation of the UK General Data Protection Regulations (GDPR) means a much better controlled data management system needed to be institutionalised within ACE and this will be one of the main priorities for 2018.
- **Financial Performance** - A graphical representation of ACE income and expenditure over the last seven years is shown in figures 1 and 2. A breakdown of ACE subscription income and membership grouping is shown in figures 3 and 4. The reduction shown in the income and expenditure related to the products/services transferred to VSC during the period under review.

The results for the year and the financial position at the balance sheet date are as shown on pages 15 and 16.

Figure 1:

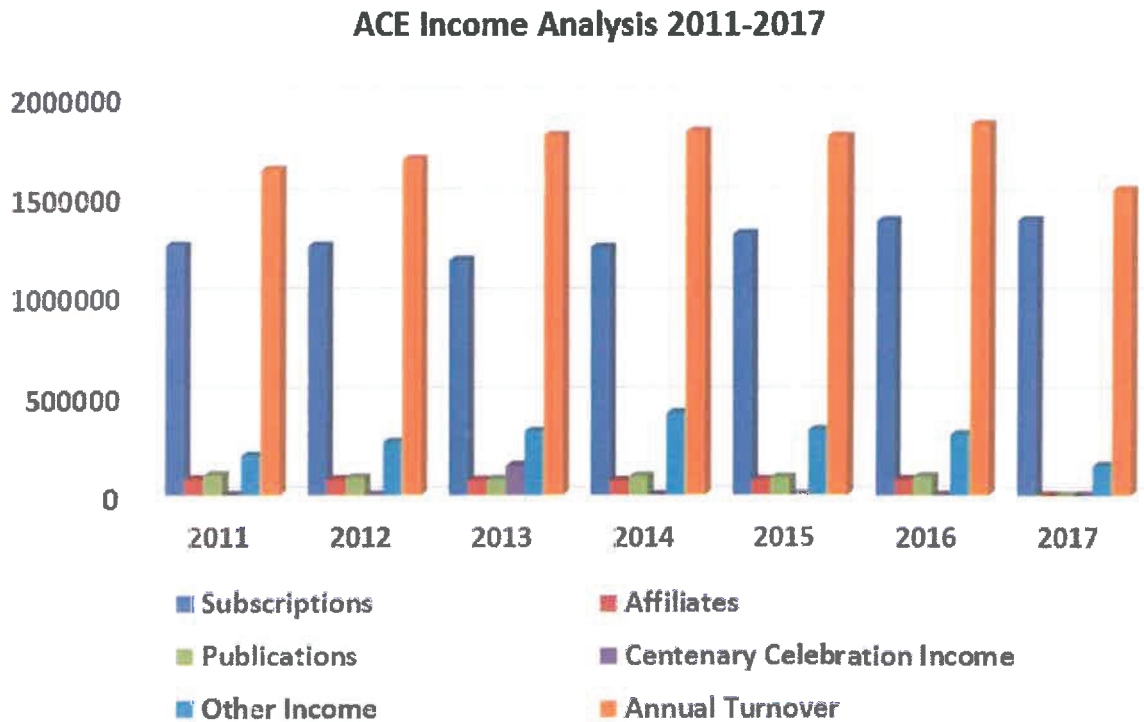


Figure 2:

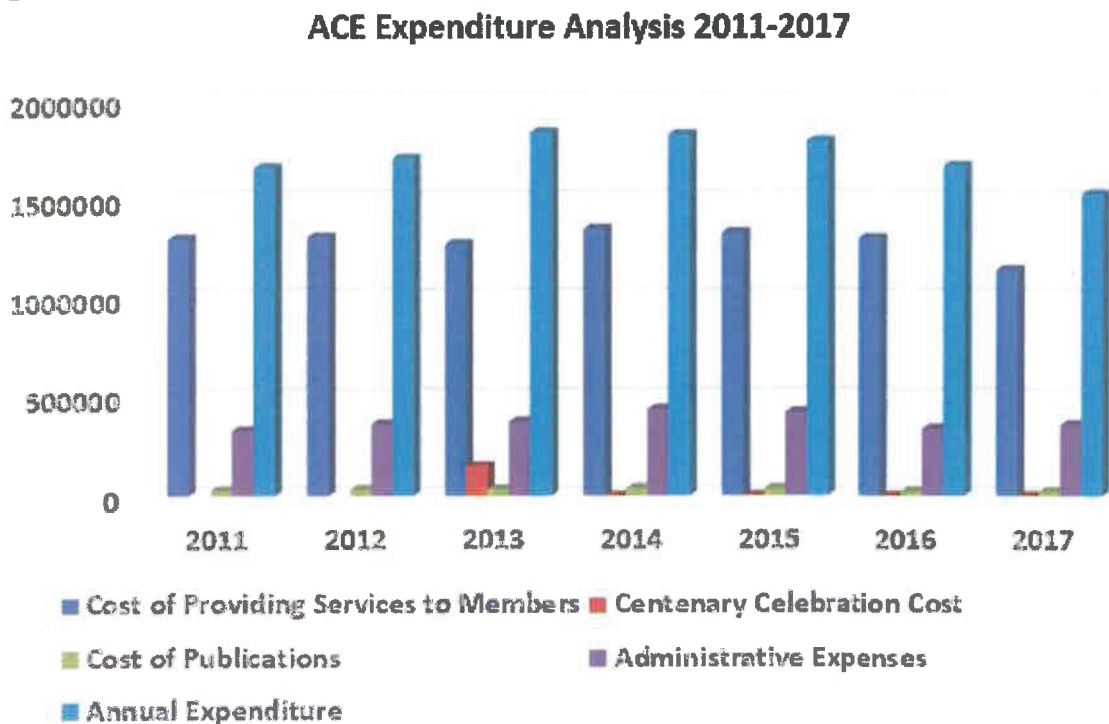


Figure 3:

**ACE Subscriptions Income Breakdown By Size Of Members
Year ended December 2017**

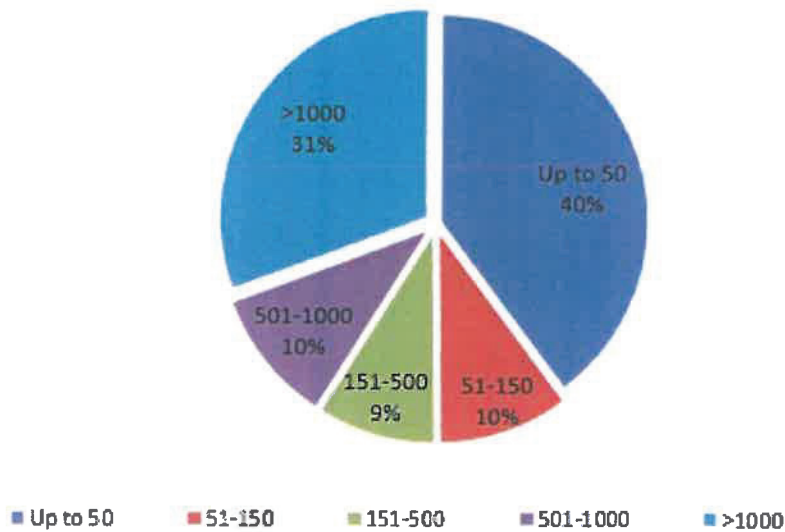
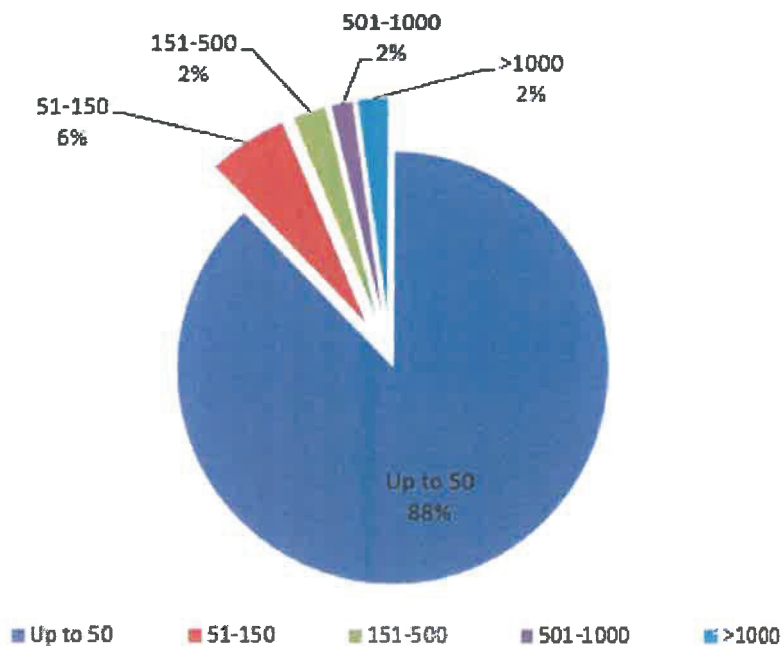


Figure 4:

ACE Members By No of Members Year ended December 2017



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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

FUTURE DEVELOPMENTS

During 2017, the Operational Management Group (OMG) started the implementation of corporate plan for 2017-2019. This included taking on board the results of members', stakeholders' and ACE staff surveys, discussions at a one day staff away day event and further follow-ups with the ACE Board.

This will entail effective delivery of on going projects and the execution of new short, medium and long term strategic goals and objectives which include the following:

- Be the single united voice and maintain ACE's position as the number one business association for organisations providing professional services in the natural and built environment
- Champion members' interests by using ACE's various sector interest and stake-holder's groups
- Address the skills gap by promoting the industry to next millennial generation
- Broaden and deepen engagement to respond to industry and global drivers
- Improve members' representation in the devolved nations, English regions and on global platform
- Strengthen competitiveness of industry post-EU referendum
- Promote ACE members' interests in UK and globally
- Support commercial best practice, business continuity and risk resilience
- Respond to innovations in technology and change ways of working
- Provide guidance, advice, business information and standards
- Ensure ACE takes a proactive role in addressing industry Productivity, collaboration and Construction Sector deal agenda

Ensure ACE is sustainable, dynamic and one of the best business associations to work for in the industry.

RESULTS

The overall surplus on ordinary activities after exceptional and impairment items for the year ended 31 December 2017 and after taxation amounted to £136,342 (2016: £17,693). This has increased the accumulated surplus, which now amounts to £560,249 (2016: £423,907).

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the company to continue trading as a going concern have been identified by the directors.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

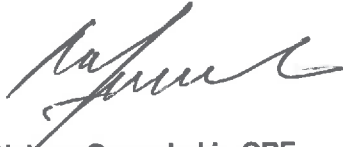
SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

This report was approved by the board and signed on its behalf.



Dr Nelson Ogunshakin OBE
Director

Date: *14 March 2018*

Alliance House
12 Caxton Street
London
SW1H 0QL

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 company and of the surplus or deficit of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATION FOR CONSULTANCY AND
ENGINEERING**

OPINION

We have audited the financial statements of Association for Consultancy and Engineering (the 'company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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 company's affairs as at 31 December 2017 and of its profit 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.

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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATION FOR CONSULTANCY AND
ENGINEERING (CONTINUED)**

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 11, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATION FOR CONSULTANCY AND
ENGINEERING (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

28 March 2018

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Income		1,557,607	1,915,093
Cost of providing services to members		(1,144,422)	(1,489,213)
Cost of producing Infrastructure Intelligence for ACE members		(22,233)	(25,078)
Administrative expenses		(361,177)	(341,869)
Technician Consortium expenses		(58,399)	(65,306)
Operating loss	5	<u>(28,624)</u>	<u>(6,373)</u>
Provision against amounts due from group undertaking		130,941	(10,941)
Dividends receivable		15,583	6,319
Surplus on disposal of investments and revaluations		23,112	31,138
Interest receivable and similar income		1,370	255
Profit before tax		<u>142,382</u>	<u>20,398</u>
Tax on profit	8	(6,040)	(2,705)
Profit for the financial year		<u><u>136,342</u></u>	<u><u>17,693</u></u>

The notes on pages 17 to 29 form part of these financial statements.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00132142**

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	9	33,135	49,702
Tangible assets	10	23,194	30,926
Investments	11	759,149	572,339
		<u>815,478</u>	<u>652,967</u>
Current assets			
Stocks	13	-	12,217
Debtors: amounts falling due within one year	14	73,271	43,509
Cash at bank and in hand		276,815	440,047
		<u>350,086</u>	<u>495,773</u>
Creditors: amounts falling due within one year	15	(605,315)	(724,833)
Net current liabilities		<u>(255,229)</u>	<u>(229,060)</u>
Net assets		<u>560,249</u>	<u>423,907</u>
Capital and reserves			
Income and expenditure account		560,249	423,907
		<u>560,249</u>	<u>423,907</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Matthew Riley
Chairman

Date:


14/3/2018

Paul Reilly
Chair, ACE Finance Executive Group


14/03/2018

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. GENERAL INFORMATION

Association for Consultancy and Engineering is a limited liability company incorporated in England and Wales. The registered office is Alliance House, 12 Caxton Street, London, SW1H 0QL.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

Information on the impact of first-time adoption of FRS 102 is given in note .

The financial statements are prepared in Sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Subscriptions income

Subscriptions income represents the proportion of the annualised revenue due and arising in the financial year in respect of members. Amounts received in advance are included in creditors as deferred income.

Other income

Other income is recognised in the period when services are rendered. Amounts received in advance of services rendered are carried forward in creditors as deferred income.

In respect of the Technician Consortium, the revenues are matched with expenditure in the year and any surplus or deficit arising on activities will be recognised at the conclusion of the programme in early 2017.

2.3 EXPENDITURE

Expenditure recognition

Full provision is made for all expenditure incurred but not paid at the balance sheet date and includes estimates where the final liability cannot be determined with accuracy. Any amounts paid in advance where the benefit will accrue to a later accounting period are carried forward in debtors as prepayments.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (continued)

2.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

CRM system	-	straight line over 4 years
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2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	over the period of the relevant lease
Fixtures and fittings	-	straight line basis over 5 years
Computer equipment	-	straight line basis over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income and Expenditure Account.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (continued)

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (continued)

2.13 INTEREST INCOME

Interest income is recognised in the Income and Expenditure Account using the effective interest method.

3. INCOME

	2017 £	2016 £
Subscriptions	1,383,308	1,379,710
Sale of publications	-	95,214
Affiliates	-	80,625
Sponsorship	63,900	58,502
Seminar proceeds	-	11,260
Benchmarking	-	130,072
ACE European CEO Awards	-	20,850
Technician Consortium	58,399	65,306
Other income	-	20,754
Recharge of overhead expenditure to the EIC companies	52,000	52,800
	<u>1,557,607</u>	<u>1,915,093</u>

4. EXPENDITURE

	2017 £	2016 £
Cost of providing services to members	1,144,422	1,489,213
Cost of publications	22,233	25,078
Administration expenses	288,390	267,570
Technician Consortium expenses	58,399	65,306
	<u>1,513,444</u>	<u>1,847,167</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. OPERATING LOSS

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	7,732	7,731
Amortisation of intangible assets, including goodwill	16,567	16,567
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	7,285	7,250
Auditors' remuneration - non-audit	885	800
Defined contribution pension cost	86,332	101,060
	<u>86,332</u>	<u>101,060</u>

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	694,426	899,361
Social security costs	94,084	98,906
Cost of defined contribution scheme	86,332	101,060
	<u>874,842</u>	<u>1,099,327</u>

The average monthly number of employees, including directors, during the year was 20 (2016: 22).

7. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	172,056	143,787
Company contributions to defined contribution pension schemes	40,000	40,000
	<u>212,056</u>	<u>183,787</u>

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pension schemes.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. TAXATION

	2017 £	2016 £
DEFERRED TAX		
Origination and reversal of timing differences	<u>6,040</u>	<u>2,705</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>142,382</u>	<u>20,398</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 9% (2016: 20%)	25,431	5,126
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(25,206)	(3,208)
Capital allowances for year in excess of depreciation	-	(12,431)
Utilisation of tax losses	-	10,643
Dividends from UK companies	-	(981)
Group relief	(225)	851
Deferred tax charge	6,040	2,705
TOTAL TAX CHARGE FOR THE YEAR	<u>6,040</u>	<u>2,705</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. INTANGIBLE ASSETS

	CRM System £
COST	
At 1 January 2017	66,269
At 31 December 2017	<u>66,269</u>
AMORTISATION	
At 1 January 2017	16,567
Charge for the year	16,567
At 31 December 2017	<u>33,134</u>
NET BOOK VALUE	
At 31 December 2017	<u>33,135</u>
At 31 December 2016	<u>49,702</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2017	78,783	43,646	122,429
At 31 December 2017	<u>78,783</u>	<u>43,646</u>	<u>122,429</u>
DEPRECIATION			
At 1 January 2017	78,783	12,720	91,503
Charge for the year on owned assets	-	7,732	7,732
At 31 December 2017	<u>78,783</u>	<u>20,452</u>	<u>99,235</u>
NET BOOK VALUE			
At 31 December 2017	<u>-</u>	<u>23,194</u>	<u>23,194</u>
At 31 December 2016	<u>-</u>	<u>30,926</u>	<u>30,926</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 January 2017	1,723,706	281,439	2,005,145
Additions	157,810	23,598	181,408
Disposals	-	(17,736)	(17,736)
Revaluations	-	23,138	23,138
At 31 December 2017	<u>1,881,516</u>	<u>310,439</u>	<u>2,191,955</u>
IMPAIRMENT			
At 1 January 2017	1,432,806	-	1,432,806
At 31 December 2017	<u>1,432,806</u>	<u>-</u>	<u>1,432,806</u>
NET BOOK VALUE			
At 31 December 2017	<u>448,710</u>	<u>310,439</u>	<u>759,149</u>
At 31 December 2016	<u>290,900</u>	<u>281,439</u>	<u>572,339</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. FIXED ASSET INVESTMENTS (CONTINUED)

On 30 October 2012 the company purchased 100% of the issued share capital of The Environmental Industries Commission Limited, The Environmental Industries Commission – Business Services Limited and The Environmental Industries Commission Capital Limited (collectively, the EIC companies). These companies provide public affairs services to the environmental technology and services industry.

The consideration payable of £1,722,806 includes deferred consideration of £290,000 payable in three annual instalments on 30 October each year. The deferred consideration has been fully paid. If specific performance targets are delivered, further deferred consideration would be payable. The directors are of the opinion that no aggregate payments for the deferred consideration are expected to be payable.

To finance the acquisition in 2012, the EIC companies loaned £1,400,000 to ACE. The EIC companies waived the repayment of £1,364,000 in respect of these loans in the year to 31 December 2012 and the ACE directors made a provision of £1,364,000 against the investment to reflect the reduction in the net assets of the EIC companies.

On 31 March 2014 the company purchased 90% of the issued share capital of VSCL, for consideration of £900. ACE has advanced a loan of £50,000 and financed VSCL's working capital by cash advances totalling £70,390. In view of the losses incurred in the first two years of trading the directors have provided £120,000 against the recovery of these advances.

On 21 March 2016 the company purchased the final 10% of the issued share capital of VSCL for nil consideration.

On 28 November 2017 VSCL issued new share capital of £157,810 that ACE purchased at par value.

12. NON-EXECUTIVE DIRECTORS AND RELATED PARTIES

In their capacity as members of the Association, the Board's firms are obliged to pay annual subscriptions due to the Association and are entitled to take advantage of the services offered by the Association, on the same terms offered to all members, or to the general public. Where members or their connections provide services to, or utilise any other services or facilities of the Association, the amounts paid to or charged by the Association are based on either:

- Standard rates paid by the Association to members and non-members alike, for services such as lecturing; or
- Rates negotiated on behalf of the Association, independently of the member involved, by the Board, or their delegated committee, based on competitive tenders or general commercial rates.

13. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	-	12,217

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	65,250	32,854
Other debtors	8,021	4,615
Deferred taxation	-	6,040
	<u>73,271</u>	<u>43,509</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	29,564	30,376
Amounts owed to group undertakings	40,171	-
Other taxation and social security	66,632	75,589
Other creditors	21,932	10,282
Accruals and deferred income	447,016	608,586
	<u>605,315</u>	<u>724,833</u>

16. DEFERRED TAXATION

	2017 £
At beginning of year	6,040
Charged to profit or loss	(6,040)
AT END OF YEAR	<u>-</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
(Decelerated)/accelerated capital allowances	-	(9,037)
Tax losses carried forward	-	14,421
Short term timing differences	-	656
	<u>-</u>	<u>6,040</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding the equivalent of their annual subscription towards the assets of the company in the event of liquidation. At 31 December 2017 the company had 439 members (2016: 435).

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	84,910	83,230
Later than 1 year and not later than 5 years	27,715	106,985
	<u>112,625</u>	<u>190,215</u>

19. RELATED PARTY TRANSACTIONS

The company is the sole shareholder of Victoria Street Capital Limited (VSC). During the year the company recharged costs of £152,555 (2016: £Nil) to VSC and the company made a contribution of £22,233 (2016: £25,638) towards the production of the magazine produced by VSC. At the year end the company was owed £40,171 (2016: £157,810 creditor). During the year, there was a formal loan of £130,839 due from VSC and interest at 3% was been charged, amounting to £4,530 (2016: 4,531).

The Environmental Industry Commission Limited (EIC) is a subsidiary of the company. During the year the company recharged costs of £74,823 (2016: £52,800) to EIC and EIC has recharged costs of £25,829 (2016: £10,815) to the company. At the year end EIC owed £65,250 (2016: £5,985) to the company.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Environmental Industries Commission Limited	England	Ordinary	100 %	Providing public affairs services to the environmental technology and services industry. Communications, publishing consumer and business journals and event management.
Victoria Street Capital Limited	England	Ordinary	100 %	Dormant
The Environmental Industries Commission-Business Services Limited	England	Ordinary	100 %	Dormant
Environmental Industries Commission - Capital Limited	England	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
The Environmental Industries Commission Limited	(59,910)	638
The Environmental Industries Commission-Business Services Limited	10,371	12,514
The Environmental Industries Commission Capital Limited	-	-
Victoria Street Capital Limited	(20,878)	1,211
	(70,417)	14,363

21. CONTINGENT LIABILITY

Association for Consultancy and Engineering Limited undertaken to provide financial support to two of its subsidiaries. As at 31 December 2017 Victoria Street Capital Limited had a net deficit of £20,878 (2016: £179,899) and Environmental Industries Commission Limited had a net deficit of £59,910 (2016: £60,548).