



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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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

COMPANY INFORMATION

DIRECTORS

M Riley
M Haigh
S Innes (appointed 1 January 2019)
P Reilly
G Hunt
H Vickers
C Wegner
D Barwell
M Naysmith
C Anderson
R Jeffs
R Sudan
S Hale
S Mackenzie
M Arthur
G Hughes (appointed 1 January 2019)
C Huntbatch (appointed 15 January 2019)

COMPANY SECRETARY

H Vickers

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
Bristol

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

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

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 the 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:

C Anderson (appointed 24 January 2018)
M Arthur (appointed 22 March 2018)
D Barwell (appointed 27 February 2018)
M Brown (resigned 24 January 2018)
A Dunn-Flores (appointed 25 April 2018, resigned 31 December 2018)
J Edwards (resigned 24 January 2018)
G English (resigned 24 January 2018)
P Flaherty (resigned 24 January 2018)
M Haigh
S Hale (appointed 25 January 2018)
T Heap (resigned 31 May 2018)
G Hunt
S Innes (resigned 22 March 2018, reappointed 1 January 2019)
R Jeffs (appointed 24 January 2018)
A Livesey (resigned 31 December 2018)
S MacKenzie
C Marshall (resigned 24 January 2018)
M Naysmith (appointed 24 January 2018)
K Nicholson (resigned 24 January 2018)
B Obika (resigned 24 January 2018)
N Ogunshakin (resigned 25 September 2018)
H Pipe (resigned 31 December 2018)
P Reilly
M Riley
N Sadler (resigned 25 September 2018)
J Streeten (resigned 31 December 2018)
R Sudan
N Taylor (resigned 31 December 2018)
H Vickers (appointed 25 September 2018)
C Wenger (appointed 9 November 2018)

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.

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

BUSINESS REVIEW

ACE Skills Summit and Consultancy & Engineering Awards

ACE hosted a multi-stakeholder Skills Summit at the Marriott Grosvenor Square Hotel on 6 June 2018 with 120 attendees; to discuss how best to address the industry's skills issues going forward. That evening, the Consultancy & Engineering Awards dinner was successfully held with 298 attendees.

European CEO Conference and Awards

The conference was held at EBRD, London, on 6-7 November 2018 sponsored by Bentley Systems and BST Global with 120 attendees coming together from 15 nations. The annual ACE Parliamentary Reception was held on 6 November, sponsored by Ramboll and Stantec and 200 industry executives attended. The European CEO Awards were held on 5 November at Grace Hall, London with 80 guests in attendance.

Benchmarking 2018

The 2018 Benchmarking programme continues to be the industry's key performance indicator. This year the firms participating reached a record, employing over 10,600 staff and generating £10.85bn 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 conference was held at the Royal Academy of Engineering, London, on 20-21 June 2018 sponsored by Bentley Systems, Microsoft and BST Global with 78 attendees. The third iteration of this event is now scheduled to take place in June 2019.

Media Coverage – ACE secured coverage across a number of trade, regional, mainstream and broadcast outlets. The major highlight was the launch of ACE's Funding Roads for the Future report which was picked up by the BBC (BBC News article online, interviews on Radio 4's Today and BBC Scotland, mentions in news bulletins on Radio 5 Live and Radio 2, as well as more than a dozen regional news bulletins) and referenced in a Times editorial on reforming our roads. In addition, we secured mainstream coverage around Carillion with interviews for BBC Radio 4's The World Tonight, BBC Radio 5 Live and BBC London. ACE continued to strategically place comment and opinion pieces around the Unlocking Housing and Scrapping the Levy reports, as well as regularly commenting on industry developments in trade media, which, of course, includes Infrastructure Intelligence. Overall, coverage increased significantly on 2017, with more than individual 300 media mentions in 2018.

Social Media – ACE has continued to leverage social media, growing activity to directly communicate with members and industry stakeholders. ACE's Twitter account has increased its followers by nearly a quarter (24%) in 2018 to more than 2,000 with impressions up 7.4% and engagement (retweets, comments, likes and shares) up by 11% over the same period. Followers of the ACE LinkedIn account increased nearly by 47% to 1,030.

Digital Communication – ACE revamped its email communication strategy in 2018 to focus on a "less is more" approach to increase open rates. In addition to this, design and functionality were improved, including the introduction of "mobile friendly" emails. As such, this has led to open rates drastically increasing to industry averages between 15% and 19%. Over the year, ACE relaunched its website which has seen an increase in time spent on the site by visitors and informal feedback from members and stakeholders has been hugely positive. We hope to see that translate to increase visitor figures in 2019.

Website

In October 2018, ACE launched its new website following a full review. The new site is more interactive, user friendly and easier to navigate. All articles, news items and documents are tagged which makes it easier to find information. The member only area has been significantly improved, as has the news and policy pages. Previously all ACE large events (conferences and awards) had their own microsite. These are now included within the new site improving the customer journey.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Large Consultancy Group

The Group continued to welcome high profile guests to its dinners throughout 2018 including: Bridget Rosewell, Commissioner, National Infrastructure Commission, Liz Peace, Chair, Old Oak and Park Development Corporation, Stephen Dance, Head of Infrastructure Delivery, Infrastructure and Projects Authority, and Alan Couzens, Capital Portfolio Director, Highways England. Pre-dinner speakers included representatives from ACE Affiliates; the events attracted chief executives from most of its large consultancy firms.

Small & Medium Enterprise (SME) Group

The Group met four times in 2018. All SME companies in ACE are invited. The Group organised three formal meetings in London, each with guest speakers on subjects such as corporate manslaughter, modular construction and professional indemnity insurance. Each meeting was followed by an evening drinks reception which was funded by sponsors. In addition, a site visit was organised to an off-site modular construction facility in Nottinghamshire.

Progress Network Group (PNG)

ACE's group for emerging professionals has active sub-groups in Scotland, Wales, Northern Ireland, North-west, Midlands, and London and South East. Collectively, fifteen events were held with industry, business and networking themes. In addition to the events, Progress Network completed its nine month long reverse mentoring pilot in March 2018, and launched a corresponding report to the industry in June 2018. Overall, ten ACE member companies contributed to the report.

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 and Midlands regions has a chair and committee which meet on at least a two monthly basis to focus on policy, industry and business issues affecting their region. Members from London and South East convened on major local policy consultation issues. In addition to the regular meetings, ten regional events were held in 2018 in Belfast, Manchester, Birmingham, Coventry, Cardiff, Bristol and London.

Membership

ACE had 432 member companies with a total UK headcount of 56,078 at the end of 2018. The split of this membership was as follows: 11.9% had one staff member, 45.8% had between 2 and 10 staff, 36.0% had 11 to 250 staff, 4.0% had 251 to 1,000 staff and 2.3% had more than 1,000 staff.

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 2018, the group liaised with key organisations such as the Prompt Payment Board on tackling late payments, participated in a BEIS consultation on the subject and led a Roundtable discussion with other industry bodies including RIBA and CECA to examine the issue of liability, fair contracting and late payments. The group also progressed its programme of developing best practice guidance notes on Professional Appointment Contracts, Novation, Extranets and Professional Indemnity, as well as delivering webinars on some of these topics namely on Professional Appointment Contracts and Novation. Engagement with government and other industry bodies will continue in 2019.

Resource Hub: Telephone 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', and 'Regulatory and Procurement'. Additionally, some enquiries are referred to ACE's legal affiliates who provide an initial free telephone consultation.

Resource Hub: Guidance and Training – ACE continues to provide access to useful guidance notes and briefing documents developed in conjunction with its affiliate members on the Resource Hub of the ACE website.

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HR Taskforce Group – The HR Taskforce Group continues to address people management and employment issues impacting on member businesses and provides a strong platform for the promotion and dissemination of best practice in human resources. The group met four times during 2018 with agenda items covering 'Safeguarding', 'Preparing for Brexit', 'Reverse Mentoring', 'Mental Health & Wellness', 'HR's role in a crisis', and 'Equality and Diversity' which included a presentation from the Environment Agency on Women in Flood and Coastal Erosion Risk Management. Engagement with relevant stakeholders will continue in 2019.

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 2018, the group held four meetings with agenda items covering 'Behavioural Safety', 'the Principal Designer role', 'HSE maturity table', and 'Health & Wellbeing' which included a presentation from Business in the Community. The group has also put together a guidance note on the role of Principal Designer aimed specifically at SME members. Engagement with government and other industry bodies will continue in 2019.

ACE Suite of Agreements

The ACE Agreements, with their associated Schedules of Services, continued to be marketed with the new ACE website providing the opportunity to display "evaluation copies" to potential purchasers. In addition, several short videos explaining their content and use as well as the value of Building Information Modelling (BIM), which the 2017 Agreements provide for, were also made available to users of the website together with contact details for further explanation if required. Several user licences were granted, and the availability of licences is promoted. Work on the delivery of the new suite of ACE Agreements continued with the updating of 'Agreement 9: Certification of Structural Design' (for use in Scotland) and final drafts of 'Agreement 2: Advisory, Investigatory and other Services' and 'Agreement 5: Homeowner' being produced for comment with publication expected early in 2019.

Infrastructure Conditions of Contract (ICC)

A new edition of the 'ICC Target Cost Contract' and 'Design and Construct Contract', together with guidance notes to accompany each, were published. A three-year licence was granted to Network Rail to use these documents as well as the 'ICC Sub-Contract'. This use, by a major client, has served to enhance the profile of these documents. As with the ACE Agreements all ICC Contracts now feature on the new ACE website and a short explanatory video can also be accessed. Toward the end of the year preliminary work commenced on reviewing the 'ICC Ground Investigation Contract' and this will be taken forward during 2019.

Business Academy Group: ACE set up a Business Academy Group in 2018 to support the development and delivery of appropriate training programmes for members and wider stakeholders. The group has developed a Learning and Development Index and is looking into putting together an online e-learning tool for members particularly SME's. The group continues to review and agree its terms of reference with more activities to be developed in 2019.

Technical Apprenticeship Consortium (TAC) – ACE continues to support and provide a home for TAC which had a slight name change in 2018 from 'Technician' to 'Technical' to align with the Level 6 offer of degree apprenticeships. The development of degree apprenticeships has boosted the apprentice intake to over 2,500, with around 1,000 apprentices since the degree apprenticeships started in September 2017. This has also created lots of work and interaction with universities that had not previously delivered apprenticeships. TAC has developed five apprenticeships and is in the process of developing two further apprenticeship degrees with the support from trailblazer groups. The initiative continues to meet the business needs for skilled staff and offers all ages a valued work-based route to a career as a professional engineer.

Adjudicator Nominating Body (ANB) - ACE is an adjudicator nominating body and continues to provide this service in relation to adjudication in construction contracts.

Engagement with governments – Brexit has continued to be a significant issue dominating political attention in 2018 but ACE has focused its attention on EU workers' rights, mutual recognition of technical standards and qualifications, and access to materials. In this regard, ACE has been very successful. Working with the regional managers, Public and External Affairs has sought to increase its engagement with devolved national governments and this is bearing fruit. Key UK departments for engagement in 2018 have been Treasury, Transport and Homes, Communities and Local Government due to ACE campaigns (see Sector Interest Groups). ACE has also sought to build relationships with the new metro regions to strengthen ACE's regional offering.

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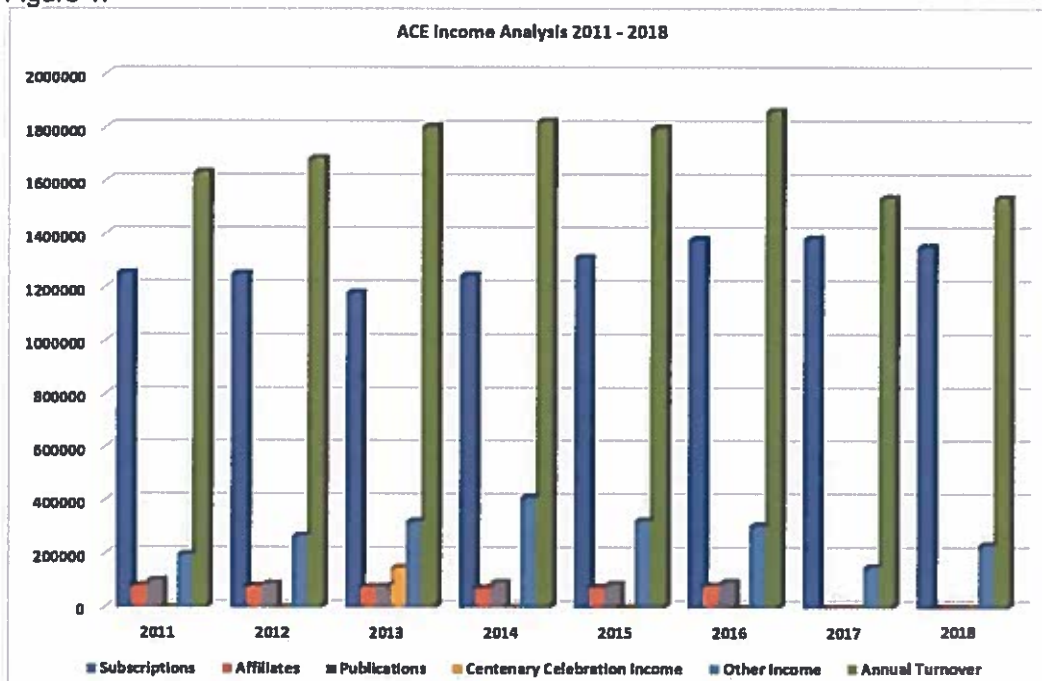
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Engagement with other stakeholders - Stakeholder engagement continues to be the foundation on which ACE's political engagement happens and so ACE has a close working relationship with CECA, CPA, FMB, BPF, AOA, UKMPG and member firms. The organisation has continued to have meetings with and coordinated its responses with a number of organisations including Build UK, CIC, CBI, GLA, London First, NIC, IPA, Highways England, Highways Scotland, Homes England, Network Rail, ADEPT, local authorities, and the IOD.

Sector Interest Group (SIG) meetings and engaging stakeholders – 2018 has seen ACE build on the successful re-ignition of the SIG groups to ensure that they are more effective at helping ACE meet members' needs. The 'Roads', 'Property' and 'Sustainability SIGS all saw significant work projects come to fruition with reports on 'Road Pricing', 'House Building' and 'Integrated Sustainability' all launched to acclaim by the industry. These reports have formed the basis of ACE engagement with government department throughout the year. ACE has also seen the creation of a new SIG on 'Airports and Ports' that covers UK connectivity in a post Brexit age. This has seen ACE partner with UKMPG and AOA to help deliver for members.

Financial Performance – A graphical representation of ACE income and expenditure over the last eight years is shown in figure 1 and 2. A breakdown of ACE subscription income and membership grouping is shown in figures 3 and 4.

Figure 1.



**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Figure 2.

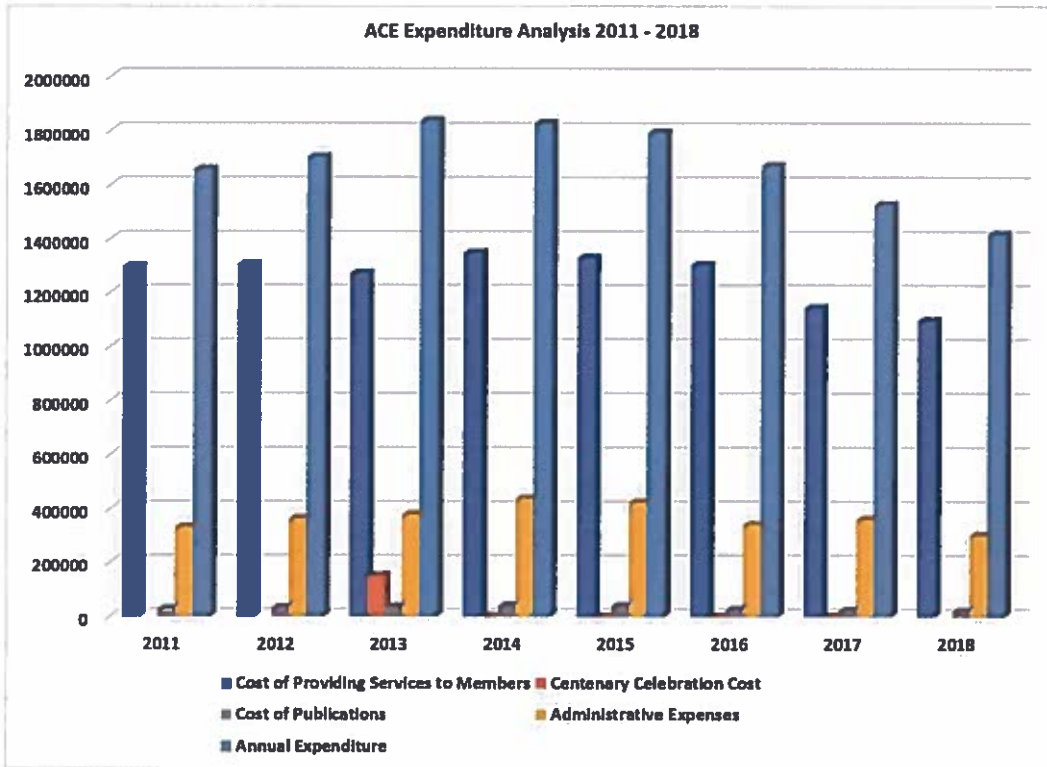
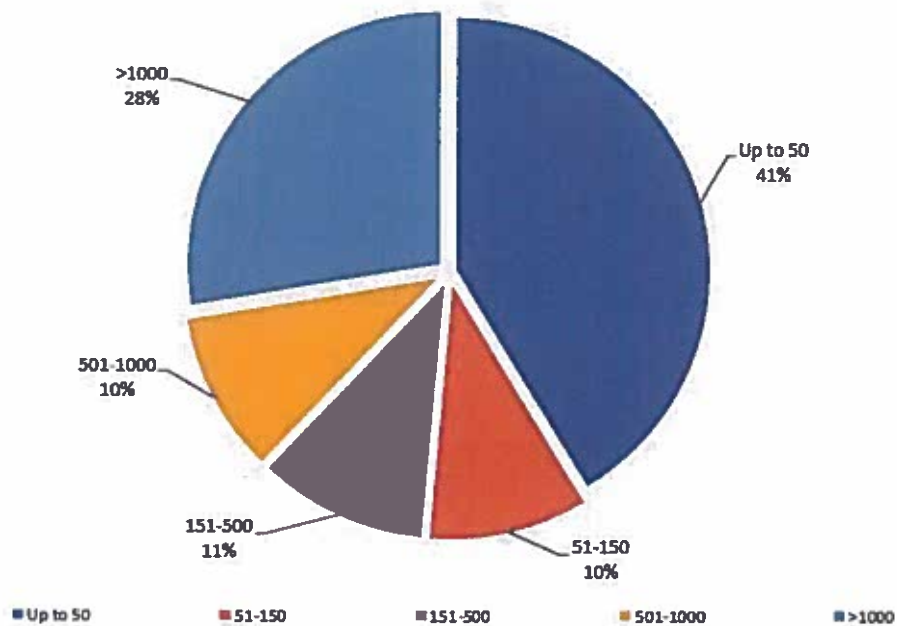


Figure 3.

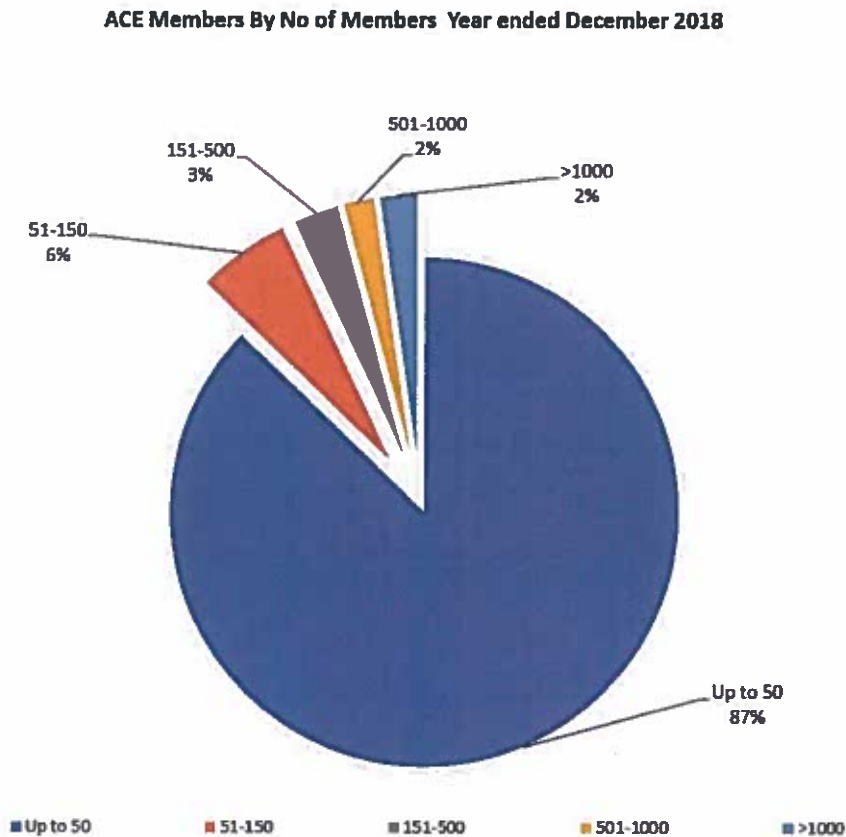
ACE Subscriptions Income Breakdown By Size Of Members Year ended 2018



**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Figure 4.



RESULTS

The surplus for the year, after taxation, amounted to £17,484 (2017: £136,342).

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.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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



H Vickers
Director

Date: 02/05/19

Alliance House
12 Caxton Street
SW1H 0QL

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

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

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

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 2018, 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 2018 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 Annual 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.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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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 9, 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
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**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: 15 May 2019

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Income		1,704,477	1,557,607
Cost of providing services to members		(1,072,205)	(1,144,422)
Cost of producing Infrastructure Intelligence for ACE members		(19,780)	(22,233)
Administrative expenses		(359,733)	(361,177)
Technical Apprenticeship Consortium expenses		(153,583)	(58,399)
OPERATING PROFIT/(LOSS)		99,176	(28,624)
Provision against amounts due from group undertaking		-	130,941
Dividends receivable		4,098	15,583
Profit/loss on disposal of investments		(7,723)	23,112
Interest receivable and similar income		1,288	1,370
Movement in provisions against investments in subsidiaries		(79,355)	-
PROFIT BEFORE TAX		17,484	142,382
Tax on profit	7	-	(6,040)
PROFIT FOR THE FINANCIAL YEAR		17,484	136,342

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 15 to 24 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	8	38,832	33,135
Tangible assets	9	21,543	23,194
Investments	10	369,355	759,149
		<u>429,730</u>	<u>815,478</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	134,898	73,271
Cash at bank and in hand		772,940	276,815
		<u>907,838</u>	<u>350,086</u>
Creditors: amounts falling due within one year	13	(759,834)	(605,315)
NET CURRENT ASSETS/(LIABILITIES)		<u>148,004</u>	<u>(255,229)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>577,734</u>	<u>560,249</u>
NET ASSETS		<u><u>577,734</u></u>	<u><u>560,249</u></u>
CAPITAL AND RESERVES			
Profit and loss account		577,734	560,249
		<u>577,734</u>	<u>560,249</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:

M Riley
Chairman

Date: 02-05-2019.

P Reilly
Chair, ACE Finance Executive Group

Date: 2/5/2019.

The notes on pages 15 to 24 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

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.

Subscription 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 are carried forward in creditors as deferred income.

In respect of the Technical Apprenticeship 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.

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.

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2. ACCOUNTING POLICIES (continued)

2.4 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 Statement of Comprehensive Income 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.

2.5 TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.6 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 life range as follows:

CRM system	- straight line basis over 4 years
Website	- straight line basis over 4 years

2.7 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.

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2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS (CONTINUED)

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 3 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 Statement of Comprehensive Income.

2.8 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.

2.9 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.

2.10 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.

2.11 CREDITORS

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.

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2. ACCOUNTING POLICIES (continued)

2.12 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.

3. INCOME

	2018 £	2017 £
Subscriptions	1,398,637	1,383,308
Sponsorship	81,257	63,900
Technical Apprenticeship Consortium	153,583	58,399
Recharge of overhead expenditure to subsidiary companies	71,000	52,000
	<u>1,704,477</u>	<u>1,557,607</u>

4. EXPENDITURE

	2018 £	2017 £
Cost of providing services to members	1,072,205	1,144,422
Cost of publications	19,780	22,233
Administration expenses	359,733	288,390
Technician Consortium expenses	153,583	58,399
	<u>1,605,301</u>	<u>1,513,444</u>

5. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	655,860	694,426
Social security costs	99,518	94,084
Costs of defined contribution scheme	69,867	86,332
	<u>825,245</u>	<u>874,842</u>

The average monthly number of employees, including directors, during the year was 18 (2017: 20).

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6. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	200,175	172,056
Company contributions to defined contribution pension schemes	34,050	40,000
	<u>234,225</u>	<u>212,056</u>

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

7. TAXATION

	2018 £	2017 £
DEFERRED TAX		
Origination and reversal of timing differences	-	6,040
	<u>-</u>	<u>6,040</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>17,484</u>	<u>142,382</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	3,322	25,431
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,651	(25,206)
Utilisation of tax losses	(15,631)	-
Group relief	(4,342)	(225)
Deferred tax charge	-	6,040
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>6,040</u>

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8. INTANGIBLE ASSETS

	CRM System £	Website £	Total £
COST			
At 1 January 2018	66,269	-	66,269
Additions	-	29,685	29,685
At 31 December 2018	<u>66,269</u>	<u>29,685</u>	<u>95,954</u>
AMORTISATION			
At 1 January 2018	33,134	-	33,134
Charge for the year	16,567	7,421	23,988
At 31 December 2018	<u>49,701</u>	<u>7,421</u>	<u>57,122</u>
NET BOOK VALUE			
At 31 December 2018	<u>16,568</u>	<u>22,264</u>	<u>38,832</u>
At 31 December 2017	<u>33,135</u>	<u>-</u>	<u>33,135</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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9. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2018	78,783	43,646	-	122,429
Additions	-	-	7,657	7,657
At 31 December 2018	<u>78,783</u>	<u>43,646</u>	<u>7,657</u>	<u>130,086</u>
DEPRECIATION				
At 1 January 2018	78,783	20,452	-	99,235
Charge for the year on owned assets	-	7,731	1,577	9,308
At 31 December 2018	<u>78,783</u>	<u>28,183</u>	<u>1,577</u>	<u>108,543</u>
NET BOOK VALUE				
At 31 December 2018	<u>-</u>	<u>15,463</u>	<u>6,080</u>	<u>21,543</u>
At 31 December 2017	<u>-</u>	<u>23,194</u>	<u>-</u>	<u>23,194</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 January 2018	1,881,516	310,439	2,191,955
Additions	-	20,148	20,148
Disposals	-	(330,587)	(330,587)
At 31 December 2018	<u>1,881,516</u>	<u>-</u>	<u>1,881,516</u>
IMPAIRMENT			
At 1 January 2018	1,432,806	-	1,432,806
Charge for the period	79,355	-	79,355
At 31 December 2018	<u>1,512,161</u>	<u>-</u>	<u>1,512,161</u>
NET BOOK VALUE			
At 31 December 2018	<u>369,355</u>	<u>-</u>	<u>369,355</u>
At 31 December 2017	<u>448,710</u>	<u>310,439</u>	<u>759,149</u>

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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10. FIXED ASSET INVESTMENTS (CONTINUED)

On 30 October 2012 the company purchased 100% of the issued share capital of The Environmental Industries Commission Limited.

The consideration payable of £1,722,806 included deferred consideration of £290,000 payable in three annual instalments on 30 October each year. The deferred consideration has been fully paid.

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 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 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. As a result of reduced future revenue forecasts, the directors have prudently reduced the carrying value to £79,550.

11. 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.

12. DEBTORS

	2018 £	2017 £
Amounts owed by group undertakings	127,871	65,250
Other debtors	7,027	8,021
	<u>134,898</u>	<u>73,271</u>

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13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	44,255	29,564
Amounts owed to group undertakings	-	40,171
Other taxation and social security	85,576	66,632
Other creditors	-	21,932
Accruals and deferred income	630,003	447,016
	<u>759,834</u>	<u>605,315</u>

14. 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.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	22,723	84,910
Later than 1 year and not later than 5 years	980	27,715
	<u>23,703</u>	<u>112,625</u>

16. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under section 33.1A of FRS 102 not to disclose transactions with the subsidiary companies.