



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

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	7	14,840	38,832
Tangible assets	8	12,234	21,543
Investments	9	290,000	369,355
		<u>317,074</u>	<u>429,730</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	157,064	134,898
Cash at bank and in hand		504,632	772,940
		<u>661,696</u>	<u>907,838</u>
Creditors: amounts falling due within one year	12	(552,266)	(759,834)
NET CURRENT ASSETS		109,430	148,004
TOTAL ASSETS LESS CURRENT LIABILITIES		426,504	577,734
NET ASSETS		426,504	577,734
CAPITAL AND RESERVES			
Profit and loss account		426,504	577,734
		<u>426,504</u>	<u>577,734</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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

P Reilly
ACE Chairman

R Sudan
Chair, ACE Finance Executive Group

Date: 28 August 2020

Date: 28 August 2020

The notes on pages 2 to 12 form part of these financial statements.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 GOING CONCERN

The Directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. They have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. The Directors have also carefully considered the recent COVID-19 events and, with this in mind, believe that the Going concern basis is still appropriate for the preparation of the financial statements.

2.3 INCOME

Income 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.

2.4 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)

2.5 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 profit or loss 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.

2.6 TAXATION

Tax is recognised in profit or loss 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.

2.7 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.

2. ACCOUNTING POLICIES (continued)

2.8 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 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 profit or loss.

2.9 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.

2.10 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.

2.11 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.

2.12 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.13 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 ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. INCOME

	2019	2018
	£	£
Subscriptions	1,462,774	1,398,637
Grants	140,800	-
Sponsorship	64,623	81,257
Technical Apprenticeship Consortium	87,042	153,583
Recharge of overhead expenditure to subsidiary companies	71,000	71,000
	<u>1,826,239</u>	<u>1,704,477</u>

4. EXPENDITURE

	2019	2018
	£	£
Cost of providing services to members	1,174,649	1,072,205
Cost of publications	-	19,780
Administration expenses	306,388	359,733
Technician Consortium expenses	87,042	153,583
	<u>1,568,079</u>	<u>1,605,301</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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5. EMPLOYEES

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

	2019	2018
	£	£
Wages and salaries	719,768	655,860
Social security costs	81,104	99,518
Costs of defined contribution scheme	46,268	69,867
	<u>847,140</u>	<u>825,245</u>

The average monthly number of employees, including directors, during the year was 14 (2018: 18).

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6. TAXATION

	2019 £	2018 £
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	(151,230)	17,484
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(28,734)	3,322
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	782	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	61,284	16,651
Utilisation of tax losses	-	(15,631)
Short term timing difference leading to an increase (decrease) in taxation	557	-
Other differences leading to an increase (decrease) in the tax charge	4,729	-
Group relief	(38,618)	(4,342)
TOTAL TAX CHARGE FOR THE YEAR	-	-

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6. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

7. INTANGIBLE ASSETS

	CRM System £	Website £	Total £
COST			
At 1 January 2019	66,269	29,685	95,954
At 31 December 2019	<u>66,269</u>	<u>29,685</u>	<u>95,954</u>
AMORTISATION			
At 1 January 2019	49,701	7,421	57,122
Charge for the year on owned assets	16,568	7,424	23,992
At 31 December 2019	<u>66,269</u>	<u>14,845</u>	<u>81,114</u>
NET BOOK VALUE			
At 31 December 2019	<u>-</u>	<u>14,840</u>	<u>14,840</u>
At 31 December 2018	<u>16,568</u>	<u>22,264</u>	<u>38,832</u>

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8. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2019	78,783	43,646	7,657	130,086
At 31 December 2019	<u>78,783</u>	<u>43,646</u>	<u>7,657</u>	<u>130,086</u>
DEPRECIATION				
At 1 January 2019	78,783	28,183	1,577	108,543
Charge for the year on owned assets	-	7,732	1,577	9,309
At 31 December 2019	<u>78,783</u>	<u>35,915</u>	<u>3,154</u>	<u>117,852</u>
NET BOOK VALUE				
At 31 December 2019	<u>-</u>	<u>7,731</u>	<u>4,503</u>	<u>12,234</u>
At 31 December 2018	<u>-</u>	<u>15,463</u>	<u>6,080</u>	<u>21,543</u>

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9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2019	1,881,516
At 31 December 2019	<u>1,881,516</u>
IMPAIRMENT	
At 1 January 2019	1,512,161
Charge for the period	79,355
At 31 December 2019	<u>1,591,516</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>290,000</u></u>
At 31 December 2018	<u><u>369,355</u></u>

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9. 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 profits and future revenue forecasts, the directors have prudently reduced the carrying value to Nil.

As of 10 March 2020 VSCL has now changed it's name to Infrastructure Intelligence Limited.

10. NON-EXECUTIVE DIRECTORS AND RELATED PARTIES

In their capacity as members of the Association, the Board 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.

11. DEBTORS

	2019 £	2018 £
Amounts owed by group undertakings	150,911	127,871
Other debtors	6,153	7,027
	<u>157,064</u>	<u>134,898</u>

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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	22,076	44,255
Other taxation and social security	59,541	85,576
Accruals and deferred income	470,649	630,003
	<u>552,266</u>	<u>759,834</u>

13. 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.