

Registered number: 00132142



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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

COMPANY INFORMATION

2017 DIRECTORS

Mike Haigh
Nick Taylor
Gavin English
Simon Innes
Jeannie Edwards
Dr Nelson Ogunshakin OBE
Andrew Cowell
Alan Barr
Henry Pipe
Graham Nicholson
Patrick Flaherty
Michael Brown
Bernard Obika
Michael Barber
Mathew Riley
Clare B Marshall
Geoffrey Hunt (appointed 23 January 2017)
Rajiv Sudan (appointed 1 January 2017)
Athena Livesey (appointed 1 January 2017)
Neil Sadler (appointed 1 January 2017)
Joanna Streeten (appointed 1 January 2017)

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 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

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:

Gavin English	Chairman
Nick Taylor	First Vice Chair and Chair Property Group
Mike Haigh	Second Vice Chair and Chair, ACE Large Consultancy Group
Douglas Pow (resigned 30/11/2016)	Chair, ACE Membership Group
John Turznski (resigned 30/11/2016)	Immediate Past Chair, ACE and member of ACE Finance
Tryfon Ampartzis (resigned 20/09/2016)	Chair, Progress Network Group
Simon Innes	Chair, ACE SME Forum
Jeannie Edwards	Chair, ACE Best Business Practice Group
Dr Nelson Ogunshakin OBE	Chief Executive and Company Secretary
Alex Tosetti (resigned 20/09/2016)	Chair, ACE Public Affairs Group Special Interest Group
Geoff Ogden (resigned 20/09/2016)	Chair, Wales Regional Group
Andrew Cowell	Chair, ACE Utility Sector Interest Group and Chair, ACE
Ashley Bateson (resigned 30/11/2016)	Chair, ACE Sustainability Sector Interest Group
Alan Barr	Chair, ACE Northern Ireland
Michael Barber	Chair, ACE North West Group
Henry Pipe	Chair, ACE Legal & Commercial Group
Graham Nicholson	Past Chair, ACE and Chair ACE Technician Apprenticeship
Patrick Flaherty	Co-opted Member, ACE Large Consultancy Group
Michael Brown	Chair, ACE SME Forum
Bernard Obika	Chair, ACE International Business Group
Sara Lipscombe (resigned 20/09/2016)	Co-opted Board Member- Communications
Rod MacDonald (resigned 30/11/2016)	Co-opted Board Member
Graham Reid (resigned 22/02/2016)	Chair, ACE London Regional Group
Clare B Marshall (appointed 17/2/2016)	Co-opted Board Member-Risk Management

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

BUSINESS REVIEW

The ACE Directors' Report is issued following completion of the third and final year of the ACE Corporate Plan 2014-2016. We are pleased to report the following highlights of 2016.

THE VOICE OF THE UK INDUSTRY

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

- **Infrastructure Intelligence: building the brand** - Under new editorial leadership since January 2016, the publication has continued to thrive not only in audience numbers but also in engagement. Compared to 2015, 2016 saw a 18.02% increase in users (185,204 in 2016), 14.26% increase in page views (457,382 in 2016), and 12.25% increase in the number of pages used in one session. Out of the digital subscribers, 75.5% are not affiliated with ACE member companies. Similarly, approximately 64.83% of the current contributor pool are not associated with ACE member companies. In this light, the digital newsletter going to over 20,000 subscribers twice per week, and the bi-monthly print edition received by over 1,000 enhances the ability of Infrastructure Intelligence, and ACE group, to engage throughout the industry.
- **Media Coverage** - ACE coverage has been secured in external print and multimedia within various trade, regional and mainstream media. Additionally, ACE Group is now working with over 30 publications for regular content opportunities. Across the Group, articles written in house have been published externally over 140 times, with additional inclusion in print and radio media for director comment, opinions, or coverage of 'stories' featured on ACE Blogs or otherwise. Greater cohesion between Infrastructure Intelligence and Group media activities has allowed for maximising press opportunities.
- **Social Media** - ACE's social media has been expanded and is being used strategically to engage and expand reach, as well as improve influence. ACE is now active on Twitter with a main company account (@ACE_Updates 1348) alongside several team or project specific accounts, on LinkedIn with groups for ACE (513), International Business Group (353) and Progress Network (31), on Facebook with a page for ACE alongside one for Progress Network, on Google+ for ACE (74), and on Youtube (93) for ACE. Averaging over 20,000 impressions per month in 2016 on @ACE_Updates alone, social media is a promising outreach tool. We have also commenced offering webinars as part of our plans to connect with members.
- **Parliamentary Reception** - The Parliamentary Reception this year was held in the Terrace Room of the House of Commons on the 9 November 2016. The keynote speakers were John Holland, Baroness Brown of Cambridge and Mathew Riley CEO Ramboll. Gavin English ACE's Chair; and Dr Nelson Ogunshakin ACE CEO also spoke. Over 250 people attended.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

INCREASE AND DIVERSIFY REPRESENTATION

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

- **Membership** - ACE had 435 member companies with a total UK headcount of 67,854 by the end of 2016. Mergers and acquisitions in the industry continued contributing to a reduction in member companies from previous years. However, changes to the ACE membership subscription model in 2016 has helped minimise the loss in subscriptions.
- **Large Consultancy Group** - Large Consultancy Group continued to welcome more high profile guests to its dinners throughout 2016 including Michele Dix CBE, Managing Director of Crossrail 2; Dr Scott Steadman CBE, Director of Standards, BSI Group and Lisa Taylor, Chief Executive, Future of London. The event continues to be a proactive platform for ACE to update and engage with Chief Executives of Large Consultancy Group member firms.
- **Small & Medium Enterprise (SME) Group** – A series of afternoon presentations followed by evening receptions were delivered for SMEs in London, Manchester and Glasgow between May and October (six in total) with attendance ranging from 20 to 70.
- **Progress Network Group (PNG)** - ACE's group for professionals aged under 35 continued to flourish with events groups in Dubai, London, Birmingham, Manchester and Cambridge. Between the groups, 10 events were held with industry, business, project and networking themes. Collective attendance at Progress Network events totalled nearly 600 in 2016.
- **Technician Apprenticeship Consortium (TAC)** - ACE has supported and provided a home for TAC since June 2012. The initiative continues to meet the need for skilled technicians and offers young people a valued work based route to a career as a professional engineer. TAC currently have the following apprenticeships in place: Civil, Building Services, Transport Planning and Railway Design engineering. Degree apprenticeships are currently being developed to commence in September 2017. TAC members have recently been concerned with the impact of the Apprenticeship levy to be introduced in April 2017. The current three year funding for TAC expires in June 2017. TAC companies have indicated that they would like to continue and to expand the scope of their activities.
- **Regional activities** - Events were held in Edinburgh, Manchester, Cardiff, Belfast and Leeds. Alongside the well-established national and Midlands group, a new London region has been established to cater for the needs of members in London and the South East. Engagement continues with key politicians in the devolved national and local governments as ACE continues to position itself for the continuing national and regional devolution
- **Affiliates** - ACE retained all its eleven 2015 affiliates into 2016, and additionally brought on board Carson McDowell. Hence, ACE had five legal affiliates, three insurance brokers, one software technology provider, one risk consultancy and two business solutions providers.
- **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 as a whole. In 2016 the Group progressed its programme of developing best practice articles and briefing notes on key topics such as limiting contractual liability and prompt payment, which will continue in 2017 via the Resource Hub on ACE's website and through engagement with Government and other industry bodies. Notably, ACE is now collaborating with RIBA on the issue. Group members contributed to a number of other key initiatives via its sub groups as detailed in this report and will continue to do so in 2017.

IMPROVE THE BUSINESS ENVIRONMENT IN WHICH ACE OPERATES

- **ACE National Conference, ACE International Conference and Consultancy & Engineering Awards** - ACE's national conference was held on 15 March 2016 at 8 Northumberland Avenue, London with several prominent speakers from industry and government. Approximately 140 persons attended. ACE's international conference was held on 15 June 2016 at the Congress Centre, London and attended by 120 delegates. The re-branded Consultancy and Engineering Awards (formerly known as the Engineering Excellence Awards) were held on 24 May 2016 at the Connaught Rooms, London, and attracted around 320.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

- **European CEO Conference and Awards** - ACE's seventh annual European CEO Conference was held at the Park Plaza Westminster Hotel, London on 9-10 November and was attended by 130 delegates from across Europe, Australia, Japan, South Korea and Nigeria and included the current FIDIC president. The CEO Awards was attended by about 150 and held at 1 Great George St, London on 8 November, with Bridget Rosewell from the National Infrastructure Commission being the keynote speaker. Both the conference and awards included speakers and winners respectively from across Europe, Australia, Nigeria, Korea, Japan and US.
- **Engagement with governments** - 2016 was a year dominated by the National and local elections alongside a referendum on UK membership of the European Union. Due to a strong National presence, ACE was able to hold a series of events as part of the election period that helped shape the debate in those areas. This enabled ACE to promote a number of key issues with local politicians that have helped shape regional agendas in the second half of the year. 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 prepare for forthcoming negotiations.
- **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 CBI, TfL, GLA, London First, NIPA, Highways England, local authorities and the IOD to name a few.
- **International Business Group (IBG)** - The Group met four times in 2016 with presentations on smart cities, market-entry risks, Department for International Development, post BREXIT challenges, FIDIC and urban planning in Africa. ACE was represented at the FIDIC conference which was held in Marrakesh on 21 to 25 September 2016 by the ACE Chair and CEO. The conference, themed 'Engineering for the Challenges of Climate Change' had delegates from over 50 countries.

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 the following coverage during the year:

- **Sector Interest Group (SIG) meetings and engaging stakeholders** - 2016 was busy year for all ACE's SIGs, with engagement across a wide variety of stakeholders, including Whitehall departments, government agencies, client bodies, and industry wide practitioners. Topics covered included Sustainability School, Network Rail Digital Rail Programme, Road Projects including Queensferry crossing and Heads of the Valley Project, and the Chair of Highways England.
- **Benchmarking 2016** - The 2016 Benchmarking programme continued to develop and improve the ACE's product towards a unified single source of data for the industry's performance. 65 firms participated in the 2016 programme and the results were debated at the European CEO conference which continued to grow in terms of participation. 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 activity.
- **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 2016 the Group held a series of health and safety regional seminars covering the Principal Designer Role, H&S Prosecutions and Driving at Work. The Group also provided or updated useful guidance on managing residual risks and driving at work.
- **ACE Suites of Agreements** - A development forum formed mainly from the Legal and Commercial Group concluded the first major review of the ACE professional services agreements since 2009. The result, which went live in early 2017, was the ACE Professional Services Agreement 2017 Edition, which combines former Agreements 1 and 3 and which is suitable for all UK jurisdictions. The new form is enabled for BIM and encourages early warning and risk management between the parties. Overall, the new form adopts a more user friendly arrangement of sections and clauses and clearer language. ACE also concluded a review of the schedule of services for civil and structural engineering, which are now up to date with industry practice and aligned to the RIBA Plan of Work 2013.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

- **The Infrastructure Conditions of Contracts (ICC)** - ACE progressed its work on a new form of sub contract, designed to work with the ICC conditions and with revising various other ICC conditions.
- **PPC/TPC 2000** - ACE and ACA took the decision, on commercial grounds, to end its joint venture with ACA in promoting and publishing the PPC Suite.
- **Adjudicator Nominating Body (ANB)** - ACE is an adjudicator nominating body and this service is now highlighted on ACE's website with an appropriate nomination form and background information in relation to adjudication in construction contracts. ACE nominated a couple of adjudicators during 2016.
- **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 are referred to ACE's legal affiliates who provide an initial free telephone consultation.
- **HR Taskforce Group** - ACE HR Taskforce Group serves as a forum for members to share and champion best business practice in employment and human resources management within the consultancy and engineering sector. The Group provides guidance to members, particularly SMEs, and offers updates on changes to legislation and other developments that might affect member companies. The Group met on four occasions during 2016 with discussions on gender pay reporting legislation, apprenticeship levy, implications of the EU referendum, EU Nationals audit and a focus on staff wellbeing and resilience. Richard Chapman-Harris, guest speaker from Mott MacDonald, will be attending the first 2017 HR Taskforce meeting to update the Group on how accomplishing improvements in Diversity and Inclusion.
- **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:
- **Building Information Modelling (BIM)** - ACE organised two more successful seminars in 2016 focused on helping members and the wider supply chain to engage organisationally and technologically with BIM working as well as progressing the discussion around good practice in dealing with the key legal and insurance issues arising from BIM. ACE also engaged with members and other key industry bodies, including CIBSE, CIC and UK BIM Alliance of which it became a signatory in late 2016.
- **Legal Updates** - In conjunction with an ACE legal affiliate continued its series of updates on key issues including getting the contract right, getting paid on time and professional indemnity claims.
- **ACE Members Pension Scheme** - the promotion of the ACE Complete Pension Trust continued in 2016. Majority of SME's set to auto enrol by 2017. ACE partner, Charles Stanley Financial Services (CSFS) attended an SME forum meeting on 8 November 2016 to brief members on auto enrolment and the Complete Pension Trust. A further update meeting with the SME forum is scheduled for 1 February 2017.
- **Diversity and Inclusion** - ACE has continued its engagement on diversity and inclusion with a wide range of stakeholders across the Industry. In January 2016, ACE launched a report recommending Ten Strategies to implementing diversity and inclusion for companies within the consultancy and engineering sector. The report was put together from one-on-one interviews conducted with over 30 leaders in industry and provides the sector with tangible recommendations on implementing diversity and inclusion that can be incorporated in full, or in part by companies irrespective of size including SMEs. About fifty members and stakeholders attended the report launch on 21 January 2016 hosted by Phillip Greenish CBE, Chief Executive Royal Academy of Engineering. ACE is planning a series of webinars which expand upon the ten strategies from January 2017. ACE is also working with the Transport sector on championing diversity and inclusion through procurement as part of its work with the Diversity and Inclusion Leadership Group (DILG) of the Royal Academy of Engineering. Activities are currently underway with all involved including Network Rail, Crossrail, HS2, Transport for London, Highways England with regards to implementing the initiative within their organisations and across their supply chain.

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** - With completion of the three years Corporate Plan, ACE is monitoring the plan on a regular basis. The 2016 Board Handbook has been updated and was presented at the February Board Meeting.
- **Quality Management System and Investors in People** - ACE was successful in renewing its Investors in People accreditation and is now accredited at Investors in People Silver level award until 2018. This achievement is indicative of positive change and demonstrates advancement and entrenchment of best practice over time.
- **Client Relationship Management (CRM)** – ACE completed the roll out of a new Microsoft Dynamics CRM System across the Group. A new website was also commissioned during Q4 2016 to provide front end interface for membership, sales and event activities. This should create a much better operational efficiency and improved interface with members and stakeholders.
- **Human Resources** - only one major staff appointment was made in 2016, this was for an Economist/Economist Analyst role to replace outgoing staff. ACE introduced flexible working and birthday leave in 2016 and approved the creation of a Staff Quality Circle. Internal and external training which support staff career development and other key benefits also remain on offer.
- **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.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Figure 1 ACE Income Analysis 2010 -2016

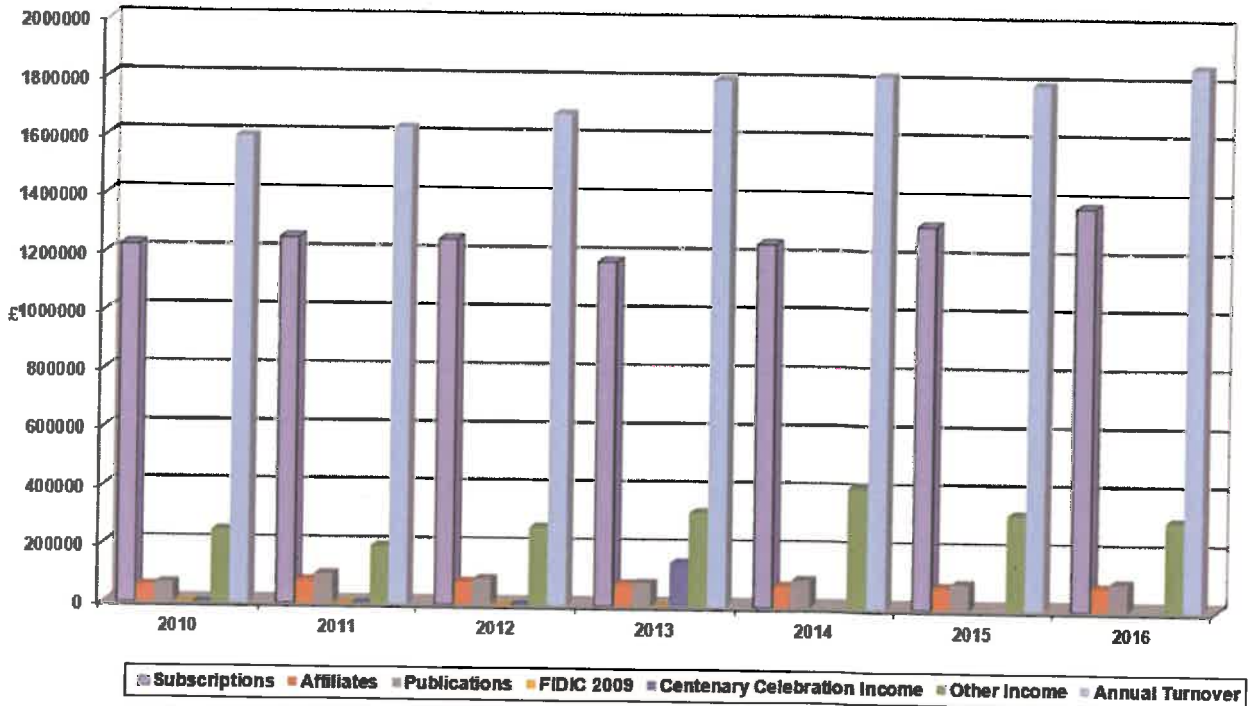


Figure 2 ACE Expenditure Analysis 2010-2016

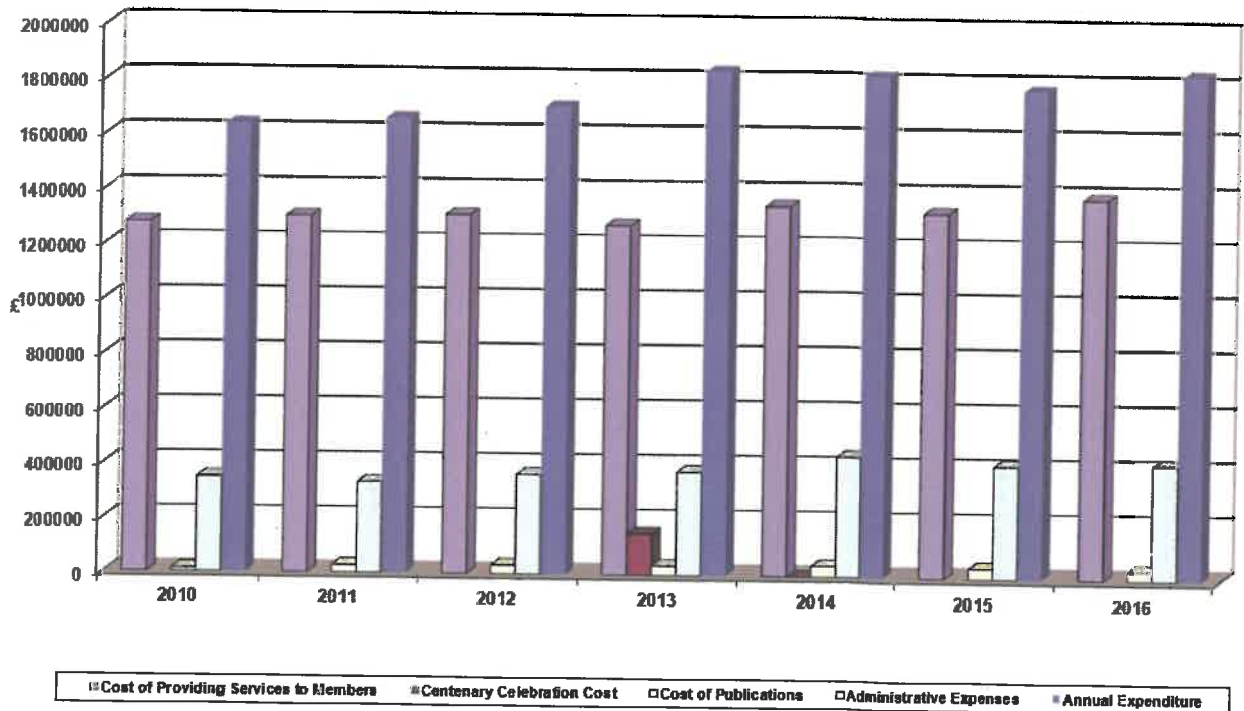


Figure 3a ACE Subscriptions Income Breakdown By Size Of Members Year ended 2016

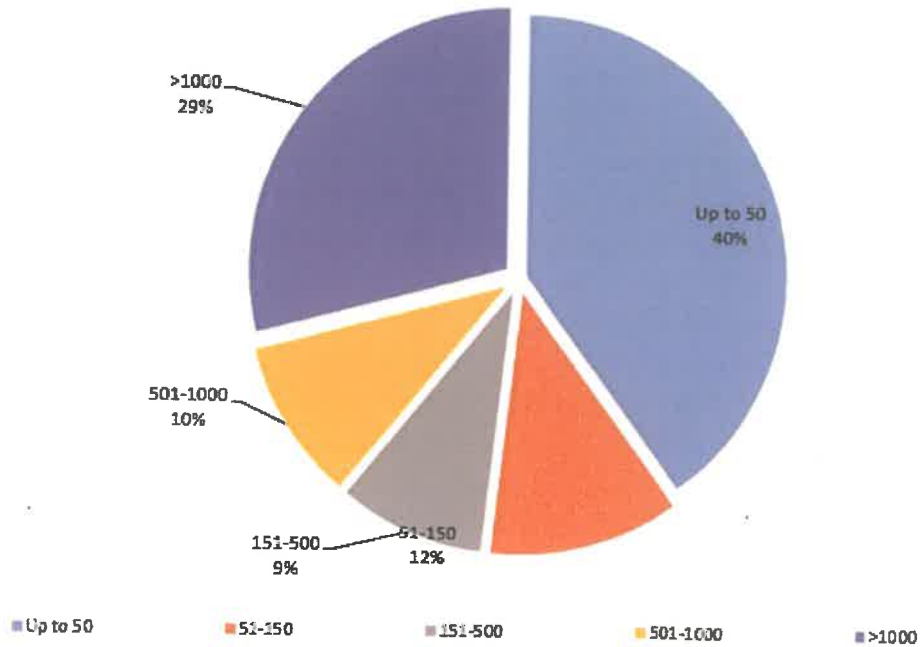
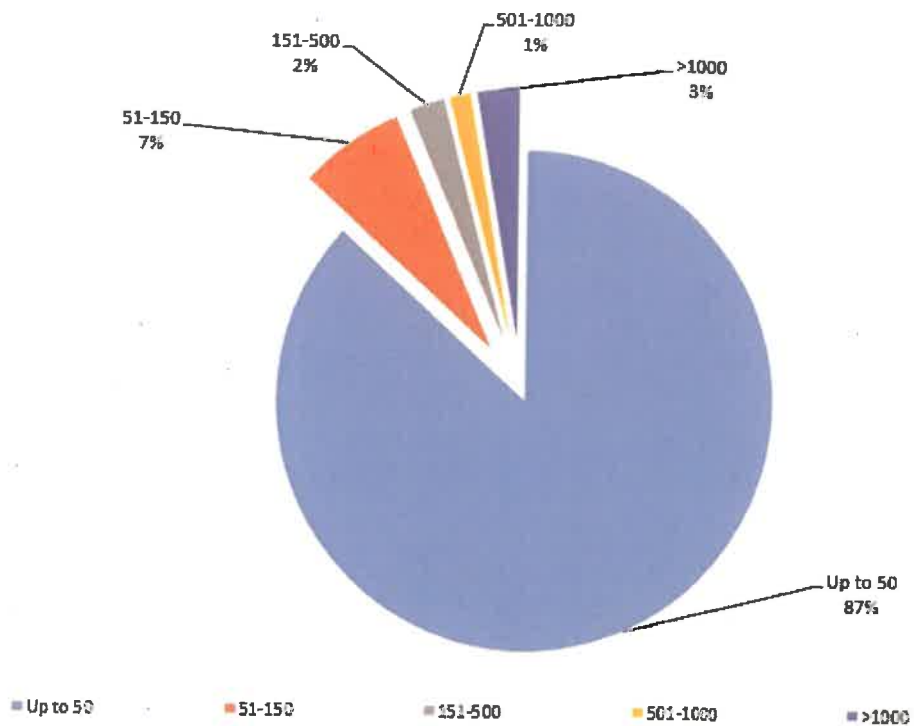


Figure 3b ACE Members By No of Members Year ended December 2016



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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

RESULTS AND DIVIDENDS

The surplus for the year, after taxation, amounted to £17,693 (2015: £152,155).

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FUTURE DEVELOPMENTS

During the course of 2016, the Operational Management Group (OMG) developed the draft corporate plan for 2017-2019. This included taking on board the results of members', stakeholders' and ACE staff surveys, discussions at a two-day staff away day event and further follow-ups with the ACE Board, culminating in approval by the Board in November 2016.

Short-Medium Strategic Goals & Objectives

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 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 and English regions
- 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 is sustainable, dynamic and one of the best business associations to work for Identify.

Operational Restructuring

In views of the current political and economic market drivers, changes in the business landscape and the need to focus ACE activities on its core business of representing its members, all major non-subscription business activities will be transfer / outsourced through its subsidiary business Victoria Street Capital Limited. The transferred business activities will include all major events, conferences, awards, publications and delivery of affiliates services, and other commercial opportunity ventures. Accordingly, this will necessitate a change to our staff resources allocation, financial reporting and operational processes, which will be effected by the end of Q1 2017.

RESULTS

The overall surplus on ordinary activities after exceptional and impairment items for the year ended 31 December 2016 and after taxation amounted to £17,693. This has increased the accumulated surplus, which now amounts to £423,907 (2015: £406,214).

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.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

AUDITORS

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

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



Dr Nelson Ogunshakin OBE
Director

Date: *30/05/2017.*

Alliance House
12 Caxton Street
London
SW1H 0QL

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

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

We have audited the financial statements of Association for Consultancy and Engineering for the year ended 31 December 2016, set out on pages 14 to 29. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit or loss 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.

OPINION ON OTHER MATTER 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



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:

6 April 2017

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

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Income		1,915,093	1,871,444
Cost of providing services to members		(1,489,213)	(1,411,563)
Cost of publications		(25,078)	(29,745)
Administrative expenses		(341,869)	(349,077)
Technician Consortium expenses		(65,306)	(75,164)
Operating (loss)/profit	5	<u>(6,373)</u>	5,895
Provision against amounts due from group undertaking		(10,941)	(60,000)
Movement on provisions against investments in subsidiaries		-	77,000
Dividends receivable		6,319	11,342
Surplus on disposal of investments		31,138	120,242
Interest receivable and similar income		255	937
Profit before tax		<u>20,398</u>	155,416
Tax on profit	8	(2,705)	(3,261)
Profit for the year		<u><u>17,693</u></u>	<u><u>152,155</u></u>

The notes on pages 16 to 29 form part of these financial statements.

**ASSOCIATION FOR CONSULTANCY AND ENGINEERING
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REGISTERED NUMBER:00132142**

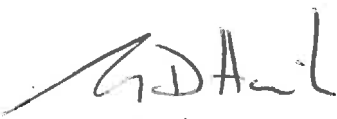
**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	9	49,702	-
Tangible assets	10	30,926	-
Investments	11	572,339	532,088
		<u>652,967</u>	<u>532,088</u>
Current assets			
Stocks	13	12,217	18,156
Debtors: amounts falling due after more than one year	14	-	10,839
Debtors: amounts falling due within one year	14	43,509	158,933
Cash at bank and in hand		440,047	306,796
		<u>495,773</u>	<u>494,724</u>
Creditors: amounts falling due within one year	15	(724,833)	(620,598)
Net current liabilities		<u>(229,060)</u>	<u>(125,874)</u>
Net assets		<u>423,907</u>	<u>406,214</u>
Capital and reserves			
Income and expenditure account		423,907	406,214
		<u>423,907</u>	<u>406,214</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:

Mike Haigh
Chairman


Date: 29/3/17

Andrew Cowell
Director


29/3/17

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 accounting policies.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

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 and affiliates. Amounts received in advance are included in creditors as deferred income.

Publications income

This represents the value of publications supplied excluding value added tax during the financial year.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES (continued)

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.

Publications costs

Publications costs comprise design costs of the standard agreement and costs which vary with the size of the print run.

Standard agreement

The cost of developing the standard agreement is amortised over its useful life estimated at 3 years.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES (continued)

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.

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 instruments 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 2016**

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

	2016 £	2015 £
Subscriptions	1,379,710	1,311,181
Sale of publications	95,214	87,589
Affiliates	80,625	75,500
Sponsorship	58,502	62,159
Seminar proceeds	11,260	53,389
Benchmarking	130,072	105,842
ACE European CEO Awards	20,850	17,500
Technician Consortium	65,306	75,164
Other income	20,754	11,120
Recharge of overhead expenditure to the EIC companies	52,800	52,000
Recharge of overhead expenditure to VSCL	-	20,000
	<u>1,915,093</u>	<u>1,871,444</u>

4. EXPENDITURE

	2016 £	2015 £
Cost of providing services to members	1,489,213	1,411,563
Cost of publications	25,078	29,745
Administration expenses	267,570	349,077
Technician Consortium expenses	65,306	75,164
	<u>1,847,167</u>	<u>1,865,549</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	7,731	893
Amortisation of intangible assets, including goodwill	16,567	-
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	7,250	7,250
Auditors' remuneration - non-audit	800	800
Defined contribution pension cost	101,060	68,927
	<u>101,060</u>	<u>68,927</u>

6. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	899,361	799,335
Social security costs	82,624	89,644
Cost of defined contribution scheme	101,060	68,927
	<u>1,083,045</u>	<u>957,906</u>

The average monthly number of employees, including directors, during the year was 22 (2015: 19).

7. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	143,787	117,300
Company contributions to defined contribution pension schemes	40,000	40,000
	<u>183,787</u>	<u>157,300</u>

During the year retirement benefits were accruing to 1 director (2015: 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 2016**

8. TAXATION

	2016 £	2015 £
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DEFERRED TAX

Origination and reversal of timing differences	<u>2,705</u>	<u>3,261</u>
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FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>20,398</u>	<u>155,416</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	5,126	18,599

EFFECTS OF:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(3,208)	12,148
Capital allowances for year in excess of depreciation	(12,431)	(660)
Utilisation of tax losses	10,643	(634)
Other timing differences leading to an increase (decrease) in taxation	-	(279)
Non-taxable income	-	(27,067)
Dividends from UK companies	(981)	(2,107)
Group relief	851	-
Deferred tax charge	2,705	3,261

TOTAL TAX CHARGE FOR THE YEAR

	<u>2,705</u>	<u>3,261</u>
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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 2016**

9. INTANGIBLE ASSETS

	CRM System £
COST	
At 1 January 2016	-
Additions	66,269
At 31 December 2016	<u>66,269</u>
AMORTISATION	
At 1 January 2016	-
Charge for the year	16,567
At 31 December 2016	<u>16,567</u>
NET BOOK VALUE	
At 31 December 2016	<u>49,702</u>
At 31 December 2015	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2016	78,783	83,722	97,552	260,057
Additions	-	38,657	-	38,657
Disposals	-	(78,733)	(97,552)	(176,285)
At 31 December 2016	<u>78,783</u>	<u>43,646</u>	<u>-</u>	<u>122,429</u>
DEPRECIATION				
At 1 January 2016	78,783	83,722	97,552	260,057
Charge for the period on owned assets	-	7,731	-	7,731
Disposals	-	(78,733)	(97,552)	(176,285)
At 31 December 2016	<u>78,783</u>	<u>12,720</u>	<u>-</u>	<u>91,503</u>
NET BOOK VALUE				
At 31 December 2016	<u>-</u>	<u>30,926</u>	<u>-</u>	<u>30,926</u>
At 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 January 2016	1,723,706	241,188	1,964,894
Additions	-	65,670	65,670
Disposals	-	(59,128)	(59,128)
Revaluations	-	33,709	33,709
At 31 December 2016	<u>1,723,706</u>	<u>281,439</u>	<u>2,005,145</u>
IMPAIRMENT			
At 1 January 2016	1,432,806	-	1,432,806
At 31 December 2016	<u>1,432,806</u>	<u>-</u>	<u>1,432,806</u>
NET BOOK VALUE			
At 31 December 2016	<u>290,900</u>	<u>281,439</u>	<u>572,339</u>
At 31 December 2015	<u>290,900</u>	<u>241,188</u>	<u>532,088</u>

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 Victoria Street Capital Limited, 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 Victoria Street Capital Limited, for nil consideration.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016 £	2015 £
Finished goods and goods for resale	<u>12,217</u>	<u>18,156</u>

14. DEBTORS

	2016 £	2015 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	-	<u>10,839</u>
DUE WITHIN ONE YEAR		
Trade debtors	-	772
Amounts owed by group undertakings	32,854	70,586
Other debtors	4,615	12,560
Prepayments and accrued income	-	66,270
Deferred taxation	6,040	8,745
	<u>43,509</u>	<u>158,933</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	30,376	69,617
Amounts owed to group undertakings	-	36,000
Other taxation and social security	75,589	60,686
Other creditors	10,282	10,304
Accruals and deferred income	608,586	443,991
	<u>724,833</u>	<u>620,598</u>

16. DEFERRED TAXATION

	2016 £
At beginning of year	8,745
Charged to profit or loss	(2,705)
AT END OF YEAR	<u><u>6,040</u></u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
(Decelerated)/accelerated capital allowances	(9,037)	2,360
Tax losses carried forward	14,421	5,690
Short term timing differences	656	695
	<u>6,040</u>	<u>8,745</u>

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 2016 the company had 435 members (2015: 485).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	83,230	85,450
Later than 1 year and not later than 5 years	106,985	200,175
	<u>190,215</u>	<u>285,625</u>

19. RELATED PARTY TRANSACTIONS

Following the acquisition of the EIC companies in 2012, these companies have waived the repayment of £1,364,000 of the combined debt due of £1,400,000 advanced on completion. The remaining £36,000 was repaid by ACE to The Environmental Industries Commission – Business Services Limited (EICBS) during the year.

The Environmental Industries Commission Limited (EIC) is a subsidiary of the company. During the year the company has recharged costs of £52,800 and EIC has recharged costs of £10,815 to the company. At the year end EIC owed the company £5,985 (2015: £47,983).

Victoria Street Capital Limited (VSCL) is a subsidiary of the company. At the year end VSCL owed the company £157,810 (2015: £153,442). The company has provided for £130,941 of this debt. £130,839 of the amount due to ACE has been formalised as a loan and interest at 3% has been charged, amounting to £4,531 during the year. During the year the company recharged costs to VSCL of £Nil (2015: £20,000) and the company made a contribution of £25,638 (2015: £9,322) towards the production of the magazine produced by the VSCL.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016 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	71,445	323
The Environmental Industries Commission-Business Services Limited	10,371	12,514
The Environmental Industries Commission Capital Limited	-	-
Victoria Street Capital Limited	(179,899)	(10,941)
	(98,083)	1,896

21. CONTINGENT LIABILITY

ACE has undertaken to provide financial support to one of its subsidiaries, at 31 December 2016 that subsidiary had a net deficit of £179,899 (2015: £158,688).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

22. FIRST TIME ADOPTION OF FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

Equity at 1 January 2015 under previous UK GAAP	£ 254,058
Revaluation of listed investments from cost to market value	86,322
EQUITY SHAREHOLDERS FUNDS AT 1 JANUARY 2015 UNDER FRS 102	340,380

Reconciliation of equity at 31 December 2015

Equity at 31 December 2015 under previous UK GAAP	£ 342,661
Revaluation of listed investments from cost to market value	63,553
EQUITY SHAREHOLDERS FUNDS AT 31 DECEMBER 2015 UNDER FRS 102	406,214

Reconciliation of profit and loss account for the year ended 31 December 2015

Profit for the year under previous UK GAAP	£ 88,602
Revaluation of listed investments from cost to market value	63,553
PROFIT FOR THE YEAR ENDED 31 DECEMBER 2015 UNDER FRS 102	152,155