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**ACE CULTURAL TOURS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

THURSDAY



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COMPANIES HOUSE

**ACE CULTURAL TOURS LIMITED**  
**REGISTERED NUMBER: 07058084**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

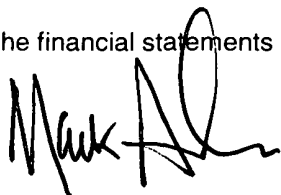
	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	6	83,333	123,333
Tangible assets	7	95,138	110,874
Investments	8	1	1
		<u>178,472</u>	<u>234,208</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	433,560	563,160
Cash at bank and in hand		1,658,195	1,843,272
		<u>2,091,755</u>	<u>2,406,432</u>
Creditors: amounts falling due within one year	10	(1,669,145)	(2,006,553)
		<u>422,610</u>	<u>399,879</u>
<b>NET CURRENT ASSETS</b>		<u>422,610</u>	<u>399,879</u>
<b>NET ASSETS</b>		<u>601,082</u>	<u>634,087</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		360,000	360,000
Profit and loss account		241,082	274,087
		<u>601,082</u>	<u>634,087</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 income and retained earnings 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:



**Mr M Atherton**  
**Director**

Date: 1 May 2018

The notes on pages 2 to 9 form part of these financial statements.

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## ACE CULTURAL TOURS LIMITED

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

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#### 1. GENERAL INFORMATION

The company is limited by shares and incorporated in England and Wales. The registered office of the company is Salisbury House, Station Road, Cambridge CB1 2LA. The principal place of business is The Granary, Bury Road, Stapleford, Cambridge, CB22 5BP.

The immediate parent company and ultimate parent undertaking and controlling party is The Association for Cultural Exchange Limited, a charitable company limited by guarantee.

Consolidated financial statements for the parent company can be obtained from The Granary, Bury Road, Stapleford, Cambridge, CB22 5BP.

#### 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 judgement in applying the Company accounting policies.

The following principal accounting policies have been applied:

##### 2.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of tours departing during the year, exclusive of Value Added Tax and trade discounts

##### 2.3 INTANGIBLE ASSETS

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill - 10%

##### 2.4 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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## ACE CULTURAL TOURS LIMITED

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

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.4 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.

The estimated useful lives range as follows:

Fixtures & fittings	- Straight line over 10 years
Office equipment	- Straight line over 5 years
Computer equipment	- Straight line over 3 or 5 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 Income and Retained Earnings.

##### 2.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.6 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.

##### 2.7 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.

##### 2.8 FINANCIAL INSTRUMENTS

The group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The group uses forward exchange contracts to reduce exposure to foreign exchange risks and as such consider these to be 'hedged.' Gains and losses on instruments used for hedging are recognised at fair value at the end of the year with changes in fair value recognised in the Consolidated Statement of Income and Retained Earnings.

##### 2.9 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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## ACE CULTURAL TOURS LIMITED

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

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.10 FOREIGN CURRENCY TRANSLATION

#### Functional and presentation currency

The group's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

### 2.11 FINANCE COSTS

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 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 Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.13 INTEREST INCOME

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

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**ACE CULTURAL TOURS LIMITED**

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.14 TAXATION**

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. EMPLOYEES**

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

**4. OTHER FINANCE (LOSSES)/GAINS**

	2017 £	2016 £
(Losses)/gains on forward foreign exchange contracts	<u>(85,107)</u>	<u>55,758</u>

**5. TAXATION**

	2017 £	2016 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	10,215
Adjustments in respect of previous periods	<u>(6,240)</u>	-
<b>TOTAL CURRENT TAX</b>	<u>(6,240)</u>	<u>10,215</u>

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**ACE CULTURAL TOURS LIMITED**

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

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**5. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<b>96,190</b>	115,033
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<b>18,517</b>	23,007
<b>EFFECTS OF:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>7,700</b>	8,000
Capital allowances for year in excess of depreciation	<b>51</b>	(6,828)
Adjustments to tax charge in respect of prior periods	<b>(6,240)</b>	-
Changes in provisions leading to an increase (decrease) in the tax charge	<b>(196)</b>	196
Other differences leading to an increase (decrease) in the tax charge	<b>-</b>	6,240
Deed of covenant	<b>(26,072)</b>	(20,400)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>(6,240)</b>	10,215

**ACE CULTURAL TOURS LIMITED**

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

**6. INTANGIBLE ASSETS**

	Goodwill £
<b>COST</b>	
At 1 January 2017	400,000
At 31 December 2017	400,000
<b>AMORTISATION</b>	
At 1 January 2017	276,667
Charge for the year	40,000
At 31 December 2017	316,667
<b>NET BOOK VALUE</b>	
At 31 December 2017	83,333
At 31 December 2016	123,333

**7. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2017	35,295	20,141	153,067	208,503
Additions	-	-	16,612	16,612
At 31 December 2017	35,295	20,141	169,679	225,115
<b>DEPRECIATION</b>				
At 1 January 2017	31,975	13,841	51,813	97,629
Charge for the year on owned assets	869	3,485	27,994	32,348
At 31 December 2017	32,844	17,326	79,807	129,977
<b>NET BOOK VALUE</b>				
At 31 December 2017	2,451	2,815	89,872	95,138
At 31 December 2016	3,320	6,300	101,254	110,874



**ACE CULTURAL TOURS LIMITED**

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

**8. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 January 2017	1
At 31 December 2017	1
<b>NET BOOK VALUE</b>	
At 31 December 2017	1
At 31 December 2016	1

**9. DEBTORS**

	2017 £	2016 £
Amounts owed by group undertakings	238,143	-
Other debtors	18,655	89,980
Prepayments and accrued income	176,762	473,180
	<b>433,560</b>	<b>563,160</b>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Payments received on account	1,305,095	1,345,544
Trade creditors	43,802	75,190
Amounts owed to group undertakings	167,896	435,807
Corporation tax	-	10,215
Other taxation and social security	18,884	14,858
Other creditors	21,886	21,481
Accruals and deferred income	111,582	103,458
	<b>1,669,145</b>	<b>2,006,553</b>

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**ACE CULTURAL TOURS LIMITED**

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

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**11. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on by Judith Coplowe (Senior Statutory Auditor) on behalf of Peters Elworthy & Moore.