

**THE ARBORICULTURAL ASSOCIATION**

**(A company limited by guarantee)**

**ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2018**



COLLECTIVE MARK

**Arboricultural**  
**A S S O C I A T I O N**

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**trees.org.uk**

**Company number: 04070377**

**Charity number: 1083845**

**THE ARBORICULTURAL ASSOCIATION  
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**THE ARBORICULTURAL ASSOCIATION  
CHARITY INFORMATION**

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**Company registration number**  
04070377

**Charity registration number**  
1083845

**Trustees and Directors**

Jaime Bray – Chairman  
Ian Murat – Vice – Chairman  
Laurence Vine Chatterton – Co Opted Treasurer  
Keith Sacre – Co Opted  
Alastair Durkin  
Simon Holmes  
Jenny Long  
Michelle Ryan  
Mike Sankus  
Navin Sehmi

**Key Management**

Stewart Wardrop – Chief Executive Officer  
Simon Richmond – Senior Technical Officer  
Hanif Bhula – Finance Manager

**Registered Office**

The Malthouse  
Stroud Green  
Standish  
Stonehouse  
GL10 3DL

**Auditors**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**Bankers**

Natwest Bank Plc  
27 Market Place  
Romsey  
SO51 8ZH

**Solicitors**

Willans LLP  
28 Imperial Square  
Cheltenham  
GL50 1RH

**THE ARBORICULTURAL ASSOCIATION  
TRUSTEES' ANNUAL REPORT  
(INCORPORATING THE DIRECTORS' REPORT)**

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The Trustees submit their annual report and the audited financial statements of the Arboricultural Association for the year ended 31 December 2018.

The Trustees have adopted the provisions of the Statement of Recommended Practice for Charities (Charity SORP) in preparing the annual report and financial statements of the Association.

The Charity is grateful for the efforts of all the volunteers involved in so many areas of the Charity's work. These include all the Committee Members, Branch representatives, Trustees and others who organise events, attend meetings, contribute to the Association's aims and attend local shows etc. on our behalf to promote the Association and its overarching aim – 'to advance the science of arboriculture for the public benefit'.

**Reference and Administrative Details**

The Arboricultural Association is a registered charity (charity number 1083845), incorporated in the United Kingdom as a private company (company number 04070377). It is limited by guarantee and accordingly has no share capital. The registered office and principle place of business is The Malthouse, Stroud Green, Standish, Stonehouse, Gloucestershire, GL10 3DL.

The Trustees of the Association, who are also Directors as defined by the Company's Act 2006, who served during the year or who were in post at the date of signing these financial statements were:

Jaime Bray	Chairman	Chair (Elected September 2018)
Ian Murat	Vice Chair	Vice Chair (Elected September 2018)
Laurence Vine-Chatterton	Honorary Treasurer	Co-opted
Keith Sacre	Trustee	Co-opted
Alastair Durkin	Trustee	
Simon Holmes	Trustee	
Jenny Long	Trustee	
Michelle Ryan	Trustee	
Mike Sankus	Trustee	
Navin Sehmi	Trustee	

**Structure, Governance and Management**

The Association is governed through its Articles and Memorandum of Association. These were updated in 2015 to ensure that they are in line with the revised strategy and objectives of the Association and the Charity Commission requirements.

The Trustees have overall responsibility for ensuring the Association has in place appropriate systems and controls, both financial and operational.

During 2018 the Trustees met 5 times (2017 – 5 times) on 22nd February, 17<sup>th</sup> May, 19<sup>th</sup> July, 10<sup>th</sup> September (AGM) and 15<sup>th</sup> November.

The Trustees are responsible for the strategic direction of the Association. Operational management during the year was overseen by the CEO. At each Trustee meeting the latest financial position is shared, together with progress against key strategic objectives, as captured in the annual Business Plan. Any risks are identified and discussed to ensure adequate risk mitigation is in place

In addition to formal Trustee meetings the CEO provides regular written operational updates to the trustees. These update documents cover all aspects of the key operational and business areas. In 2018 nine updates were provided to all Trustees.

Throughout 2018 the Business Review Group (BRG) met on a regular basis to oversee financial and operational performance and to support the Chief Executive Officer. The BRG is made up of the Chairman, Vice Chairman, Immediate Past Chairman and Treasurer. The BRG continues to meet during 2019.

**THE ARBORICULTURAL ASSOCIATION  
TRUSTEES' ANNUAL REPORT  
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At the AGM held on 10th September 2018 the members:

- Received the accounts of the Association for the preceding financial year to 31st December 2017;
- Received the report of the Board of Directors, September 2017 to September 2018;
- Selected members to be Trustees to fill the arising vacancies; and
- Appointed Hazlewoods LLP to be the auditors for the Association for the forthcoming year.

There were no EGM's called during the year 1st January 2018 to 31st December 2018.

Committees: The business of the Association is split amongst three standing committees (Education and Training, Media and Communications and Professional). A member of each standing committee must be a Trustee, that member is usually the committee's chairperson. The Board elects the Chair.

In addition to the Committees, there are a number of Working Groups; currently there are 4 namely; The Consultants' Working Group, (CWG), the Utility Arboriculture Group (UAG), Women in Arboriculture (WIA) and the Arborists' Working Group (AWG).

The terms of reference for the respective committees and working parties are regularly reviewed and updated with any changes agreed with the Trustees to ensure their remit and focus is aligned to the changing needs of the Association and any revisions to governance, the AA's Strategy and Business Plan.

Branches: There are 10 national branches. The Branches play a key role within the Association providing a geographic focal point for members and a range of educational and social activities. To ensure their role and the support they require is defined and agreed, and the controls in respect of their financial arrangements are in place, Branch Rules exist. These rules were revised in 2014 with the input of representatives from each Branch, and these rules will be revised again in 2019. All Members are allocated to a Regional Branch. Branch Committees typically organise regional events with a Branch AGM being held annually. The Association HQ provides administration resource in support of the Branch activities.

Business Plan and Budget (Forecast)

On an annual basis a Business Plan and Budget (Forecast) are drafted by the HQ team consisting of identified primary actions along with supporting budgets and resultant financial forecasts. The Business Plan is wholly aligned to and supports the delivery of the strategic plan. This plan is then approved by the Trustees.

Committees, Working Parties and Branches play a key role supporting with the implementation of the Business Plan.

The Business Plan and Forecast captures ongoing work streams in respect of themed areas namely:

- Financial, Governance and systems;
- Communication;
- Marketing and Promotion;
- Membership;
- Training and Events
- Careers;
- Publications;
- Schemes;
- Branches;
- Resources

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In support of the Strategic Plan Committees and Working Groups agree those "projects/activities" on which they will focus each year. This ensures resources in respect of staff, membership and finance are focused, "managed" and co-ordinated to best effect.

The Directors of Arboricultural Association Trading Limited as defined by the Company's Act 2006, who served during the year or who were in post at the date of signing the accounts were:

- E J Quaife
- J Bray
- A Durkin
- S Holmes
- J Long
- I Murat
- M Ryan
- M Sankus
- N Sehmi
- L Vine-Chatterton

As of the Arboricultural Association Trading Limited 2018 AGM it was agreed that, with immediate effect, that all the elected trustees of the Arboricultural Association will be Directors of the Arboricultural Association Trading Limited. Mr E J Quaife, therefore stood down with immediate effect. All Trustees thanked Mr Quaife for his service to the Arboricultural Association Trading Limited.

**Objectives and Activities**

The Association's stated objective is to advance the science of arboriculture for the public benefit and in doing so promote excellence in tree care to consumers, fellow professionals in other disciplines, to government and to society. Strategic objectives in support of this are included in the 3-year Strategy covering the period to 2018-2020; the Strategy was subsequently published on the Associations website, shared with our partner organisations and disseminated to all Members via inclusion in the Arb Magazine to ensure it is shared with the widest possible audience. There are ongoing plans and work activities to raise the profile of the Association and public understanding as to our role and the value of trees in green urban infrastructures.

**Public Benefit**

The Trustees have regard to Charity Commission guidance to ensure they meet their objectives on public benefit. To this effect, all newly appointed Trustees have attended an Induction Day with existing Trustees to discuss and ensure full understanding of their statutory responsibilities and how such can be best discharged.

The website, design and content, continues to develop and evolve in support of the charitable aims of the Association, namely providing public access to a vehicle to share information to all in respect of the latest arboriculture news, training courses (open to non-members) and any tree related alerts. The website also directs the public, via the directories, towards members of our Accreditation Schemes namely Registered Consultants and Approved Contractors.

The Association continues to play a key role in respect of the provision of free advice to arborists. In addition, the Association presents at various forums through its staff and volunteers on the value of trees, to build awareness and understanding through its Arb Show, Conference and Branch events.

**Fundraising Activities**

The Association has registered with the fundraising regulator. The aim of the regulator is to ensure that fundraising is respectful, honest, open and accountable to the public.

**THE ARBORICULTURAL ASSOCIATION  
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All fundraising activities are directly managed by Association staff. We do not engage third parties to raise funds on our behalf. We are mindful that no fundraising should be unreasonably persistent or apply undue pressure on anyone or intrude on anyone's privacy.

The Association raises the majority of its funding through its membership subscriptions and the provision of services to its members and the public, these activities typically include events, training, publications and accreditation schemes.

**Achievements and Performance**

The main activities of the Arboricultural Association in 2018 included:

- Revenue growth against pre-agreed financial targets, including the delivery of a surplus;
- Growth of paid membership numbers by 7.8%;
- Overall membership numbers grew by 20.3%;
- Grew student membership to over 500 student members; delivered the first national student conference;
- Marketing resource significantly strengthened with the emphasis moved to digital marketing and wider use of social media;
- Substantially increased political engagement via the Association's membership and active participation within the "All Party Parliamentary Group on Horticulture and Gardening" (APPGHG) and the Ornamental Horticultural Roundtable Group (OHRG);
- Assisted with the production and delivery to Parliament of the APPGHG document entitled "securing the future of the garden and horticulture sector";
- Part funded and assisted with the production and delivery to Parliament of the OHRG document entitled "The economic impact of ornamental horticulture and landscaping in the UK";
- Produced the AA Biosecurity guidance document which was supported by the planning and delivery of a "biosecurity" themed parliamentary event in December 2018;
- Delivery of a "Branching Out" event in June 2018, well attended by branches;
- Delivery of the 2018 ARB Show at Westonbirt – the largest Arboricultural trade show in the UK; with a record attendance through greater public engagement;
- Significant growth of educational, training and certification activity; growth of low-cost branch and member focused activity supported by the AA HQ team;
- Delivery of the Amenity Conference in September at Exeter University, with a record attendance;
- Growth of the Approved Contractor scheme including a Utility arboriculture scheme variant.
- Maintenance of the Registered Consultant Scheme including the development of a QA process starting in 2019;
- The ongoing integration and use of the CRM system;
- Website content and functionality improvement;
- Growth of new partnerships and networks to raise the profile of Arboriculture and public awareness of the Industry.

**AA Research Grant**

£6,000 donations were made to research in 2018 (2017 - £3,000).

**Political expenditure - via membership of the All Party Parliamentary Group on Horticulture and Gardening (APPGHG) and the Ornamental Horticultural Roundtable Group (OHRG)**

During the year the amount spent on political expenditure was £17,654 (2017 - £nil).

**Financial Review**

During the year the Association's Business Review Group (BRG) met approximately every 10 weeks to provide support to the CEO with the Association's finance and operations.

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TRUSTEES' ANNUAL REPORT  
(INCORPORATING THE DIRECTORS' REPORT)**

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The Consolidated Statement of Financial Activities for the year is set out within the financial statements: the overheads are not reported separately but have been allocated to each of the principal activities of the Association.

The financial results of the Association are set out within this Annual Report and financial statements and include an income and expenditure account, balance sheet and related notes.

The Association generated a surplus in 2018 thus ensuring it can repay its debt and increase its cash reserves.

Principal Operational Risks

Business activity in conjunction with the Association's Risk Register was reported upon at each Board and BRG meeting held during the year.

- Staffing
  - During 2018 there were no staffing changes;
  - Operational changes have continued to deliver significant efficiency and output improvements within HQ functions;
  - These efficiencies have led to the HQ team being able to:
    - Move from a reactive stance supporting our branch structure to a proactive one;
    - Attend more public facing events;
    - Increase engagement with partner organisations;
    - Deliver new activities including a student conference;
    - Increase our social media and digital presence and reach;
    - Actively participate in activity in support of the All Party Parliamentary Group on Horticulture and Gardening (APPGHG) and the Ornamental Horticultural Roundtable Group (OHRG) work;
    - Deliver the first AA parliamentary event in support of Biosecurity awareness activity.
- CRM System
  - Performance during 2018 has again improved, primarily as a result of the staff gaining experience of using the system;
  - We continue to challenge the supplier to improve the functionality of the system. Occasionally we have had to "micro-manage" the supplier to resolve improvement activity when service and support has found to be lacking;
  - The investment is undoubtedly now delivering efficiency benefit, albeit more slowly and later than originally anticipated.
- Broadband Connectivity
  - The connection finally went live in July 2018; the result was transformational;
  - It will allow the Association to host and provide a range of digital outputs in the future.

Funding Sources

The key revenue streams of the Association are:

- Subscriptions
- Accreditation Scheme membership fees
- Training
- Publications
- The Arb Show (May)
- The Conference (September)
- Advertising and sponsorship



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Reserves

The Charity had the following reserves at 31 December 2018: the reserves policy is reviewed by Trustees annually.

Restricted income funds	£6,086	(2017 - £6,086)
Unrestricted income funds	£747,738	(2017 - £703,264)

The Association has a reserves policy which was reviewed in 2018 and was set to:

- Provide a buffer of £150,000 representing a sum to cover ongoing operating costs in the event, for example, of a failure in subscriptions income as a result of a major downturn in the economy; and
- Have funds available in the event of a major campaign or project, an additional sum of £50,000.

The Association had sufficient liquid reserves, in the form of cash and cash equivalents, at 31st December 2018 of £194,691 (2017 - £384,255).

Investments

The Association has no financial investments other than its bank deposit account and its shareholding in its trading subsidiary. Its reserves exist in the form of The Malthouse, an asset into which the Association moved in 2012 following extensive refurbishment.

**Plans for future periods**

The future plans of the Association are aligned to the key strategic objectives as widely published. A copy of the Strategic Plan 2018-2020 can be found on our website [www.trees.org.uk](http://www.trees.org.uk) in the "about us - policy and reports" area.

**Statement of Trustees' Responsibilities**

The charity Trustees (who are also the Directors of the Association and the AATL for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of information to the Auditors**

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the group's Auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed by order of the Board of Trustees on 23 May 2019.

  
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**J Bray (Chairman)**  
**Trustee**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ARBORICULTURAL ASSOCIATION**

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### **Opinion**

We have audited the financial statements of The Arboricultural Association for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated statement of cash flows and the notes to the financial statements, 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 Group's and the parent Charitable Company's affairs as at 31 December 2018, and of the Group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

### **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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ARBORICULTURAL ASSOCIATION**

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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.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- The parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements and the Trustees' Annual Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees 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 Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ARBORICULTURAL ASSOCIATION

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### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and (ISAs (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

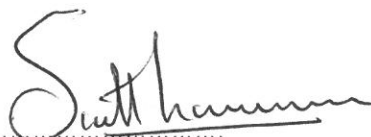
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Trustee's Annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our 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 auditor's 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.



.....  
**Scott Lawrence FCA**  
**(Senior Statutory Auditor)**

17 July 2019  
.....  
**Date**

**For and on behalf of Hazlewoods LLP, Statutory Auditor**  
**Cheltenham**

**THE ARBORICULTURAL ASSOCIATION  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>INCOME</b>					
<b>Income from charitable activities:</b>					
Subscriptions		407,684	-	407,684	370,712
Other charitable activities	5	648,894	-	648,894	691,906
		<u>1,056,578</u>	<u>-</u>	<u>1,056,578</u>	<u>1,062,618</u>
<b>Income from trading activities:</b>					
Consultants and contractors		292,109	-	292,109	281,101
Advertising		7,913	-	7,913	5,163
		<u>300,022</u>	<u>-</u>	<u>300,022</u>	<u>286,264</u>
<b>Income from investments:</b>					
Interest received		39	-	39	90
		<u>39</u>	<u>-</u>	<u>39</u>	<u>90</u>
<b>TOTAL INCOME</b>		<b>1,356,639</b>	<b>-</b>	<b>1,356,639</b>	<b>1,348,972</b>
<b>EXPENDITURE</b>					
<b>Cost of raising funds:</b>					
Fundraising trading		242,167	-	242,167	266,393
		<u>242,167</u>	<u>-</u>	<u>242,167</u>	<u>266,393</u>
<b>Expenditure on charitable activities:</b>					
Charitable activities – normal		1,069,998	-	1,069,998	1,035,923
		<u>1,069,998</u>	<u>-</u>	<u>1,069,998</u>	<u>1,035,923</u>
<b>TOTAL EXPENDITURE</b>	6	<b>1,312,165</b>	<b>-</b>	<b>1,312,165</b>	<b>1,302,316</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>44,474</b>	<b>-</b>	<b>44,474</b>	<b>46,656</b>
Total funds brought forward		703,264	6,086	709,350	662,694
		<u>703,264</u>	<u>6,086</u>	<u>709,350</u>	<u>662,694</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>747,738</b>	<b>6,086</b>	<b>753,824</b>	<b>709,350</b>
		<u><u>747,738</u></u>	<u><u>6,086</u></u>	<u><u>753,824</u></u>	<u><u>709,350</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 - 28 form part of these financial statements.

THE ARBORICULTURAL ASSOCIATION  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>INCOME</b>					
<b>Income from charitable activities:</b>					
Subscriptions		370,712	-	370,712	353,069
Other charitable activities	5	691,906	-	691,906	582,609
		<u>1,062,618</u>	<u>-</u>	<u>1,062,618</u>	<u>935,678</u>
<b>Income from trading activities:</b>					
Consultants and contractors		281,101	-	281,101	288,088
Advertising		5,163	-	5,163	54
		<u>286,264</u>	<u>-</u>	<u>286,264</u>	<u>288,142</u>
<b>Income from investments:</b>					
Interest received		90	-	90	163
<b>TOTAL INCOME</b>		<b><u>1,348,972</u></b>	<b><u>-</u></b>	<b><u>1,348,972</u></b>	<b><u>1,223,983</u></b>
<b>EXPENDITURE</b>					
<b>Cost of raising funds:</b>					
Fundraising trading		266,393	-	266,393	249,927
<b>Expenditure on charitable activities:</b>					
Charitable activities – normal		1,035,923	-	1,035,923	955,315
<b>TOTAL EXPENDITURE</b>	6	<b><u>1,302,316</u></b>	<b><u>-</u></b>	<b><u>1,302,316</u></b>	<b><u>1,205,242</u></b>
<b>NET MOVEMENT IN FUNDS</b>		<b>46,656</b>	<b>-</b>	<b>46,656</b>	<b>18,741</b>
Total funds brought forward		656,608	6,086	662,694	643,953
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>703,264</u></b>	<b><u>6,086</u></b>	<b><u>709,350</u></b>	<b><u>662,694</u></b>

The statement of financial activities includes all gains and losses recognised in the year.

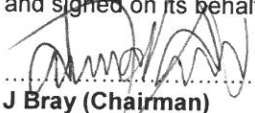
The notes on pages 16 - 28 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION  
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Note	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
<b>Fixed assets</b>					
Intangible assets	11	4,112	4,112	4,112	4,112
Tangible assets	12	820,419	834,854	820,419	834,854
Investments	13	-	-	1	1
		<u>824,531</u>	<u>838,966</u>	<u>824,532</u>	<u>838,967</u>
<b>Current assets</b>					
Stock	14	20,634	18,121	20,634	18,121
Debtors	15	119,403	112,726	174,705	169,465
Cash and cash equivalents		194,691	384,255	111,630	293,686
		<u>334,728</u>	<u>515,102</u>	<u>306,969</u>	<u>481,272</u>
<b>Current liabilities</b>					
Creditors due within one year	16	(340,719)	(538,451)	(317,870)	(509,531)
Net current liabilities		(5,991)	(23,349)	(10,901)	(28,259)
Total assets less current liabilities		818,540	815,617	813,631	810,708
<b>Non-current liabilities</b>					
Creditors due after one year	17	(64,716)	(106,267)	(64,716)	(106,267)
<b>Net assets</b>		<b>753,824</b>	<b>709,350</b>	<b>748,915</b>	<b>704,441</b>
<b>Funds of the group</b>					
Charity restricted income funds	18	6,086	6,086	6,086	6,086
Charity unrestricted income funds	18	742,829	698,355	742,829	698,355
Non-charitable reserves	13	4,909	4,909	-	-
<b>Total funds</b>		<b>753,824</b>	<b>709,350</b>	<b>748,915</b>	<b>704,441</b>

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees and authorised for issue on 23 May 2019 and signed on its behalf by:

  
.....  
**J Bray (Chairman)**

The notes on pages 16 - 28 form part of these financial statements.



THE ARBORICULTURAL ASSOCIATION  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Total funds 2018 £	Total funds 2017 £
<b>Cash flows from operating activities</b>			
Net movement in funds		44,474	46,656
Finance income		(39)	(90)
Finance costs		8,596	11,843
Depreciation	12	35,428	33,181
		<u>88,459</u>	<u>91,590</u>
Increase in stocks		(2,513)	(4,071)
Increase in debtors		(6,677)	(14,229)
Increase in creditors		(197,732)	160,048
<b>Net cash provided by operating activities</b>		<b><u>(118,463)</u></b>	<b><u>233,338</u></b>
<b>Cash flows from investing activities</b>			
Interest received		39	90
Purchase of tangible fixed assets	12	(20,993)	(9,769)
<b>Net cash used in investing activities</b>		<b><u>(20,954)</u></b>	<b><u>(9,679)</u></b>
<b>Cash flows from financing activities</b>			
Interest paid		(8,596)	(11,843)
Repayment of borrowings		(41,551)	(38,840)
<b>Net cash used in financing activities</b>		<b><u>(50,147)</u></b>	<b><u>(50,683)</u></b>
<b>Change in cash and cash equivalents in the year</b>		<b>(189,564)</b>	<b>172,976</b>
Cash and cash equivalents at 1 January		384,255	211,279
<b>Cash and cash equivalents at 31 December</b>		<b><u>194,691</u></b>	<b><u>384,255</u></b>

The notes on pages 16 - 28 form part of these financial statements.

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

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**1 GENERAL INFORMATION**

The Arboricultural Association a registered charity, incorporated in England & Wales as a private company. It is limited by guarantee and accordingly has no share capital. It is registered with Companies House under company number 04070377, and with the Charity Commission under reference number 1083845. The registered office and principle place of business is The Malthouse, Stroud Green, Standish, Stonehouse, Gloucestershire, GL10 3DL.

**2 ACCOUNTING POLICIES**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' effective January 2016, the Charities SORP, and the Companies Act 2006, as applicable in the United Kingdom and Republic of Ireland.

The Arboricultural Association meets the definition of a public benefit entity under FRS 102.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value. The Arboricultural Association has adapted the Companies Act 2006 formats to reflect the special nature of its charitable activities.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

**Basis of Consolidation**

The consolidated financial statements consolidate the financial statements of the Charity and its subsidiary undertaking drawn up to 31 December.

A subsidiary is an entity controlled by the Charity. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. Inter-company transactions and balances, between the Charity and its subsidiaries, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Going concern**

After reviewing the Charity's forecasts and projections, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

THE ARBORICULTURAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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2 ACCOUNTING POLICIES (continued)

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Judgements**

No significant judgements have been made by the Trustees in preparing these financial statements.

**Key sources of estimation uncertainty**

Other than detailed below for expenditure, no key sources of estimation uncertainty have been identified by the Trustees in preparing these financial statements.

**Income**

Subscriptions income is included in the period in which it falls due. Income from charitable trading activities is included in the period to which the relevant activity or transaction relates. Resources from activities to generate funds, interest and other incoming resources are included on a receivable basis. Amounts received in advance are not included in income for the year but are disclosed as deferred income in creditors.

**Grants receivable**

Grants receivable are recognised in income on a systematic basis over the life of the grant as the conditions related to the grant are. The grants become repayable when the conditions of the grants are not met.

**Expenditure**

All expenditure is included when it is incurred. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimated staff time attributable to each activity. The nature of the organisation is such that all staff time can be attributed to activities which further the charitable objects. Governance costs are those costs incurred in meeting regulatory requirements and providing the strategic direction of The Arboricultural Association.

**Grants payable**

Grants payable are payments to third parties in the furtherance of the charitable objectives. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of The Arboricultural Association.

**Intangible fixed assets**

Intangible fixed assets, which consist of a trade mark and intellectual property, are not depreciated as any amortisation is considered immaterial.

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

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**2 ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

All assets costing more than £500 that are acquired for continuing use within The Arboricultural Association are capitalised at their cost to the organisation. Depreciation is provided on expenditure at rates calculated to write off each asset over its estimated remaining life. The rates applied to achieve this are:

Freehold property	100 years straight line
Computer equipment	25% / 12.5% of net book value
Fixtures and fittings	20% straight line

**Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

**Trade and other debtors**

Trade debtors are amounts due from members for merchandise sold or services performed in the ordinary course of activity. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due.

**Stock**

Stock is stated at the lower of cost and estimated selling price less costs to sell. The cost of finished goods comprises direct material costs. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to sell; the impairment loss is recognised immediately in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade and other creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of activity from suppliers. Trade creditors are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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**2 ACCOUNTING POLICIES (continued)**

**Funds accounting**

Unrestricted funds are those funds which the Trustees are free to use in accordance with charitable objects. Restricted funds are funds which are given for particular purposes specified by their donors.

Non-charitable reserves are funds held on behalf of Arboricultural Association Trading Limited, a non-charitable company.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts under operating leases are credited to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pensions**

The Arboricultural Association makes contributions to individual personal pension schemes of eligible employees. These are defined contribution schemes. A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

**Financial Instruments**

***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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**2 ACCOUNTING POLICIES (continued)**

***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**3 LEGAL STATUS OF THE CHARITY**

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

**4 FINANCIAL PERFORMANCE OF THE CHARITY**

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary, The Arboricultural Association Trading Limited, which undertakes the assessment of Registered Consultants and Approved Contractors for inclusion in the Arboricultural Association's Directories.

As permitted by section 408 Companies Act 2006, the parent charitable company's statement of financial activities has not been included in these financial statements. Its surplus for the financial year was £44,474 (2017 - £46,656).

**5 OTHER CHARITABLE ACTIVITIES**

	2018 £	2017 £
Publications	76,085	98,532
Conference	159,937	150,771
Workshops and seminars	193,547	220,168
Trade fair	117,757	115,329
Sponsorship	16,300	16,500
Other income	85,268	90,606
	<hr/>	<hr/>
	648,894	691,906
	<hr/>	<hr/>

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

**6 TOTAL EXPENDITURE**

	Direct costs £	Staff costs £	Support costs* £	Total 2018 £	Total 2017 £
<b>Costs of raising funds</b>					
Consultants and contractors	103,279	90,275	48,613	242,167	266,393
<b>Expenditure on charitable activities</b>					
Subscriptions	17,652	50,522	11,343	79,517	77,075
Publications	49,234	19,544	9,723	78,501	78,414
Conference	95,461	43,622	24,307	163,390	158,865
Workshops and seminars	108,093	72,938	40,510	221,541	225,168
Trade fair	78,236	43,622	27,548	149,406	136,909
Advertising and publicity	-	10,104	3,241	13,345	12,915
Promotion	18,282	48,860	27,548	94,690	90,821
Technical support	12,835	33,225	17,825	63,885	70,866
Meeting costs	45,268	19,544	11,343	76,155	75,092
Grant making	2,646	39	162	2,847	7,439
Newsletter / journal	64,506	22,403	9,723	96,632	90,023
Political expenditure	17,654	-	-	17,654	-
Audit fees	10,150	-	-	10,150	9,350
Legal and professional fees	2,285	-	-	2,285	2,986
	522,302	364,423	183,273	1,069,998	1,035,923
<b>Total 2018</b>	<b>625,581</b>	<b>454,698</b>	<b>231,886</b>	<b>1,312,165</b>	<b>1,302,316</b>
<b>Total 2017</b>	<b>633,229</b>	<b>432,179</b>	<b>236,908</b>	<b>1,302,316</b>	

\* Support costs of £231,886 (2017 - £236,908) include:

	2018 £	2017 £
Depreciation	35,428	33,181
Premises costs	16,874	18,465
Vehicle expenses	24,885	24,384
Office running costs	150,684	158,477
Subscriptions and representation	4,015	2,401

All of the above expenditure was paid for via unrestricted funds. There was no expenditure incurred out of restricted funds.

**7 TRANSACTIONS WITH TRUSTEES**

No Trustee received any remuneration from the Association during the year (2017 - £nil).

Travel expenses totalling £10,141 (2017 - £11,234) were reimbursed to eight (2017 - nine) Trustees during the year. At the year end £408 (2017 - £148) was outstanding and owed to Trustees.

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

**8 STAFF COSTS**

	2018 £	2017 £
Salaries and wages	384,022	366,218
Social security	39,836	40,816
Pension contributions	26,412	23,924
	<u>450,270</u>	<u>430,958</u>

The key management personnel of the Charity are the Trustees, the Chief Executive Officer, The Senior Technical Officer and the Finance Manager. The total employee benefits of the key management personnel were £182,111 (2017 - £168,429).

One employee received employee benefits in excess of £60,000 during the year (2017 – one).

**9 STAFF NUMBERS**

The average monthly head count was 13 staff (2017 - 12 staff). The average number of full-time equivalent employees during the year was:

	2018 No.	2017 No.
Management	1	1
Technical	4	3
Administration	8	8
	<u>13</u>	<u>12</u>

**10 TAXATION**

All income of the charitable company falls within the exemptions afforded to charities by Section 505 of the Income and Corporation Taxes Act 1988.

**11 INTANGIBLE FIXED ASSETS**

**Group and charity**

	Trademark £	Intellectual Property £	Total £
<b>Cost and net book value</b>			
At 1 January 2018	3,112	1,000	4,112
At 31 December 2018	<u>3,112</u>	<u>1,000</u>	<u>4,112</u>



THE ARBORICULTURAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

12 TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Computer equipment £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 January 2018	737,188	170,560	42,152	949,900
Additions	-	16,091	4,902	20,993
At 31 December 2018	737,188	186,651	47,054	970,893
<b>Depreciation</b>				
At 1 January 2018	42,253	54,812	17,981	115,046
Charge for the year	7,372	20,136	7,920	35,428
At 31 December 2018	49,625	74,948	25,901	150,474
<b>Net book value</b>				
At 31 December 2018	687,563	111,703	21,153	820,419
At 31 December 2017	694,935	115,748	24,171	834,854

Freehold property is held for use by the Charity in furthering its objectives. Currently a proportion is let externally on short term rental agreements to fully utilise the asset to contribute towards costs. The Charity SORP would normally require the proportion of the property let externally to be classified as an investment property and carried at fair value; however, the Trustees are of the opinion that the investment property component cannot be measured reliably without undue cost or effort. As such they have accounted for the entire property as freehold property within tangible fixed assets.

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

**13 INVESTMENTS**

**Company**

The wholly owned subsidiary, Arboricultural Association Trading Limited, is a company registered in England and Wales. It is used to operate the non-charitable activities of The Arboricultural Association, which includes the Register of Consultants and Approved Contractors. All profits earned by the subsidiary are donated to The Arboricultural Association.

Arboricultural Association Trading Limited has only one share of £1 in issue, which is held by The Arboricultural Association.

The activities and results of Arboricultural Association Trading Limited were:

	2018 £	2017 £
Turnover	292,109	281,101
Cost of sales	(101,612)	(126,835)
Administrative expenses	(161,154)	(152,808)
Donation to The Arboricultural Association	(29,343)	(1,458)
	<hr/>	<hr/>
Retained profit for year	-	-
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2018, Arboricultural Association Trading Limited had the following assets and liabilities:

	2018 £	2017 £
Debtors	13,776	2,273
Cash at bank and in hand	83,061	90,569
Creditors: Amounts due within one year	(91,927)	(87,932)
	<hr/>	<hr/>
	4,910	4,910
	<hr/>	<hr/>
Share capital	1	1
Reserves	4,909	4,909
	<hr/>	<hr/>
	4,910	4,910
	<hr/> <hr/>	<hr/> <hr/>

**14 STOCKS**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Publications and other items for resale	20,634	18,121	20,634	18,121
	<hr/>	<hr/>	<hr/>	<hr/>

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

**15 DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	53,523	60,756	39,747	58,483
Other debtors and prepayments	65,880	51,970	65,880	51,970
Amounts owed from subsidiary	-	-	69,078	59,012
	<u>119,403</u>	<u>112,726</u>	<u>174,705</u>	<u>169,465</u>

**16 CREDITORS DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	40,657	31,100	40,657	31,100
Trade creditors	56,293	105,999	51,284	91,798
Social security and other taxes	15,139	14,369	15,139	14,369
Other creditors and accruals	53,611	209,269	52,111	207,769
Deferred income	175,019	177,714	158,679	164,495
	<u>340,719</u>	<u>538,451</u>	<u>317,870</u>	<u>509,531</u>

The bank loans are secured by a fixed charge over the property of The Arboricultural Association and are payable in monthly instalments. Fixed rate interest is charged on these loans.

Deferred income relates to membership subscriptions, training fees and contractor and consultant fees that are received in advance of the subscription year commencing 1 January. The balance of deferred income has moved in the year as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January	177,714	199,213	164,495	127,976
Amount released in year	(177,714)	(199,213)	(164,495)	(127,976)
Amount deferred in year	175,019	177,714	158,679	164,495
	<u>175,019</u>	<u>177,714</u>	<u>158,679</u>	<u>164,495</u>

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

**17 CREDITORS DUE AFTER ONE YEAR**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Bank loans (due between 2 and 5 years)	64,716	106,267	64,716	106,267

The bank loans are secured by a fixed charge over the property owned by The Arboricultural Association and are repayable in monthly instalments. Fixed rate interest is charged on these loans.

**18 ANALYSIS OF CHARITABLE FUNDS**

**Unrestricted funds**

The Charitable Company has unrestricted funds that are free reserves for use in achieving the charities aims and objectives.

During the year, income of £1,356,639 (2017 - £1,348,972) was generated, and expenditure of £1,312,165 (2017 - £1,302,316) was incurred. At 31 December 2018 the unrestricted fund balance amounted to £747,738 (2017 - £703,264).

**Restricted funds**

The Charitable Company has one restricted fund, the Memorial Research Fund. This Fund is used to support research in the field of Arboriculture by the provision of grants.

During the year, income totalled £nil (2017 - £nil), and grants of £nil (2017 - £nil) were awarded. At 31 December 2018 the restricted fund balance amounted to £6,086 (2017 - £6,086).

**19 ANALYSIS OF ASSETS BETWEEN FUNDS**

2018	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	4,112	-	4,112
Tangible fixed assets	820,419	-	820,419
Current assets	328,642	6,086	334,728
Current liabilities	(340,719)	-	(340,719)
Non-current liabilities	(64,716)	-	(64,716)
	<u>747,738</u>	<u>6,086</u>	<u>753,824</u>

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**19 ANALYSIS OF ASSETS BETWEEN FUNDS (CONTINUED)**

2017	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	4,112	-	4,112
Tangible fixed assets	834,854	-	834,854
Current assets	509,016	6,086	515,102
Current liabilities	(538,451)	-	(538,451)
Non-current liabilities	(106,267)	-	(106,267)
	<u>703,264</u>	<u>6,086</u>	<u>709,350</u>

**20 OPERATING LEASE COMMITMENTS**

**Group and charity**

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	17,200	15,123
Later than one year and not later than five years	20,336	10,764
	<u>37,536</u>	<u>25,887</u>

The amount of operating lease payments recognised as an expense during the year was £20,021 (2017 - £14,486).

The total of future minimum lease receivable is as follows:

	2018 £	2017 £
Not later than one year	15,183	10,167
Later than one year and not later than five years	18,498	-
	<u>33,681</u>	<u>10,167</u>

**21 CAPITAL COMMITMENTS**

At 31 December 2018 the Charity had a capital commitment of £Nil (2017: £12,682).

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**22 RELATED PARTY TRANSACTIONS**

The charity has taken advantage of the exemption under FRS 102 from disclosing related party transactions with other members of the group.

**Other related party transactions**

During the year, there were no related party transactions that the charity entered into.

**23 CONTROL**

The Arboricultural Association is controlled by the Board of Trustees/Directors.