

THE ARBORICULTURAL ASSOCIATION

(A company limited by guarantee)

**ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021



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

trees.org.uk

Company number: 04070377

Charity number: 1083845

**THE ARBORICULTURAL ASSOCIATION
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THE ARBORICULTURAL ASSOCIATION CHARITY INFORMATION

Company registration number

04070377

Charity registration number

1083845

Trustees and Directors

Michelle Ryan - Chair

Navin Semhi – Vice Chair

Andrew Longland - Treasurer

Paul Barton

Alastair Durkin

Keith Sacre

Michael Sankus

Professor Alan Simson

Stephen Westmore

Key Management

John Parker – (Chief Executive Officer)

Hanif Bhula – (Finance Manager)

Registered Office

The Malthouse

Stroud Green

Standish

Stonehouse

GL10 3DL

Auditors

Hazlewoods LLP

Staverton Court

Staverton

Cheltenham

GL51 0UX

Bankers

Natwest Bank Plc

27 Market Place

Romsey

SO51 8ZH

Solicitors

Harrison Clark Rickerbys

Wellington Street

Cheltenham

GL50 1YD

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

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1. Reference and administrative details

1.1 The Arboricultural Association (the Association) is a registered Charity incorporated in the United Kingdom as a private company limited by guarantee and accordingly has no share capital.

1.2 Company registration number: 04070377

1.3 Charity registration number: 1083845

1.4 The Trustees of the Association (the Association) who served during 2021 were:

Michelle Ryan (Chair)

Navin Sehmi (Vice Chair)

Paul Barton

Alastair Durkin

Keith Sacre

Alan Simson

Mike Sankus

Steve Westmore (from September 2nd 2021)

Andrew Longland (Treasurer, Co-opted from June 15th 2021)

Jaime Bray (until September 2nd 2021)

Jenny Long (until September 2nd 2021)

Ian Murat (until November 19th 2021)

Lawrence Vine-Chatterton (until September 2nd 2021)

1.5 Day-to-day management of the Association is delegated to the Chief Executive Officer (CEO), head of the key management team. The key management team is:

Stewart Wardrop (CEO until June 30th 2021)

John Parker (Technical Director until June 30th 2021, CEO from July 1st 2021)

Hanif Bhula (Finance Manager)

1.6 Registered Office: The Malthouse, Standish, Stonehouse, Gloucestershire, GL10 3DL.

1.7 Auditors: Hazlewoods LLP. Staverton Court, Staverton, Cheltenham, GL51 0UX

1.8 Bankers: NatWest Bank PLC. 27 Market Place, Romsey, SO51 8ZH

1.9 Solicitors: HCR. Wellington Street, Cheltenham, GL50 1YD

1.10 The Trustees submit their Annual Report and the audited financial statements of the Association for the year ended December 31st 2021.

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(INCORPORATING THE DIRECTORS' REPORT)**

1.11 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.

2. Objectives and activities

2.1 The charitable objective of the Association is *to advance the science of arboriculture for the public benefit*. The vision of the Association, as described in the Strategic Plan 2022-24 (adopted on October 20th, 2021) is to *inspire, support and promote the tree care community for a society that better appreciates and cares for trees*.

2.2 The main ways in which the Association delivers its charitable objective and vision are:

- Support and advice for members.
- Online and in-person training.
- Online and in-person events, including the ARB Show and Annual Amenity Conference.
- Publications and best practice guidance for professional arboriculturists and the public.
- Political and public engagement.
- Representation on industry and cross-sector groups and projects.
- International liaison and representation on international industry groups.
- The Approved Contractor and Registered Consultant Accreditation Schemes.
- The Tree Care Supporter subscription.
- Marketing, including two websites – one for arboriculturists and one for the public.
- Career advice and development opportunities.

2.3 The Trustees have an understanding of Charity Commission guidance to ensure they meet their objectives with regard to public benefit. Public-facing activity and content includes the free webinar series, guidance documentation for non-professionals, the Tree Care Supporter subscription, help and advice for members of the public and the organisation and attendance of public-facing events.

2.4 The Association is grateful for the efforts of all of the volunteers involved in delivering the charitable aims of the organisation. This includes Trustees, members of Committees and working groups, Branch representatives and those who represent the Association at external groups and meetings.

3. Achievements and performance

3.1 The key achievements of the Association in 2021 include:

- Continued management of Covid-19 and transition back to many pre-Covid activities and methods of delivery.
- Careful control of expenditure for responsible financial management.
- Gradual repayment of the business interruption loan taken out in 2020.
- Expansion of social media activity, including features such as the Urban Tree World Cup 2021.
- Retirement in July 2021 of Stewart Wardrop, Chief Executive Officer. The Association would like to put on record its thanks to Stewart for his hard work, dedication and leadership over several years.
- Appointment of John Parker, formerly Technical Director, to role of Chief Executive Officer, in post from July 1st.
- Increased recruitment, including to key roles such as Business Development Manager.
- Changes to the Board of Trustees with Jenny Long, Ian Murat, Jaime Bray and Lawrence Vine-Chatterton stepping down and Steve Westmore and Andrew Longland (Treasurer) joining.
- Continuation of webinar series. By end of year 2021, 58 webinars were held with a total audience of more than 16000 people watching from more than 140 countries.
- The online Fungi Symposium was held in March, attracting more than 400 delegates.
- The Amenity Conference was held online for the first time, attracting 178 delegates.

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

- The Annual General Meeting was held online, with members voting to say they preferred future AGMs to be held online rather than in-person.
 - Training courses continued online, with some returning to an in-person format where appropriate.
 - Usage of the large office space at the Malthouse as an in-house training resource increased.
 - In order to mitigate the loss of office space from the new training room, the lease of one tenant (LSL Housing) was terminated and the Association expanded onto a new floor of the Malthouse.
 - Membership continued to increase, with a final 2021 tally of 2901 paying members.
 - The Approved Contractor and Registered Consultant Schemes both continued to grow throughout the year.
 - The Arboricultural Association Strategic Plan 2022-24 was formally adopted by the Board of Trustees in October 2021.
 - Lobbying and political activity continued, including through the All Party Parliamentary Group for Horticulture and Gardening and the Ornamental Horticulture Roundtable Group.
 - The Association continues to represent its members on a wide range of industry and cross-sector working parties, committees and projects.
 - Publication of two new major texts about fungi: *Fungi on trees* (Humphries and Wright) and *Trees and Fungi* (Boddy).
 - Publication of a new suite of Technical Guides covering key aspects of arboricultural practice.
- 3.2 These activities and achievements helped the Association meet many of its strategic objectives for 2018-20 (with the production of the most recent Strategic Plan 2022-24 being delayed due to Covid). The current methods of assessing performance are described in Section 5 of this report, *plans for future periods*.
- #### 4. Financial review
- 4.1 The Consolidated Financial Statements for the year are provided in the following pages. Overheads are not reported separately but have been allocated to each of the principal financial activities of the Association on the basis of estimated staff time attributable to each activity. The financial results of the Association are summarised within the Annual Report, a separate document to the Consolidated Financial Statements. The Annual Report acts as a summary document, predominantly aimed at members of the Association, to summarise the key contents of this Trustees' Report and the Consolidated Financial Statements. It is available on the Association's website.
- 4.2 The key revenue streams of the Association are typically membership subscriptions, Accreditation Scheme membership fees, training, events, publications, advertising and sponsorship. The Association has no financial investments other than its bank deposit account and its shareholding in its trading subsidiary, Arboricultural Association Trading Limited (AATL). Its reserves exist in the form of the Malthouse, which is owned by the Association.
- 4.3 The Association's Draft Reserves Policy (to be ratified by Trustees in August 2022) states that the Association will ensure that it retains sufficient cash reserves in order to be able to continue operating for at least twelve months in adverse trading conditions, such as a major economic downturn or pandemic. The Draft Reserves Policy recommends that the Association should keep a minimum of £260,000 in reserve. Once ratified, the Reserves Policy will be reviewed and ratified annually by Trustees.
- 4.4 As of December 31st 2021 the Association held £6,097 in restricted income funds (as compared to £6,097 in 2020) and £865,407 in unrestricted income funds (as compared to £703,750 in 2020).
- 4.5 The Association's liquid reserves in the form of cash and cash equivalents improved to £471,173 on December 31st 2021 (as compared to £385,240 on December 31st 2020).
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- 4.6 The Association is registered with the fundraising regulator. The aim of the regulator is to ensure that fundraising is respectful, honest, open and accountable to the public. All fundraising activities are managed by Association staff. Third parties are not encouraged to raise funds on the Association's behalf. The Association understands that fundraising should not be unreasonably persistent, apply undue pressure on people or invade their privacy. No complaints have been received with regard to the Association's fundraising conduct.
- 4.7 The Association made a donation to research of £4,400 in 2021 through the Association's Research Grant.
- 4.8 The Association made a donation of £1,000 to Charity in 2021 as part of its ongoing commitment to Perennial (Registered Charity number 1155156).
- 4.9 The Association spent £7,400 on political expenditure in 2021 through membership of the All-party Parliamentary Group on Horticulture and Gardening (APPGHG) and the Ornamental Horticulture Roundtable Group (OHRG).
- 4.10 There is no uncertainty about the Association as a going concern. Whilst the impact of Covid was significant in 2020, the recovery in 2021 was strong and financial performance expectations were exceeded. Cashflow management and budgetary control are key driving forces in the management of the organisation and budgets, cashflow and forecasts are shared with employees and Trustees on a regular basis.
- 4.11 The Association is expecting growth in all areas of operation in 2022 and by the end of quarter two of 2022 all targets are being met. The key areas of uncertainty relate to the two main events of the year, the Annual Amenity Conference and the ARB Show. Conference has not taken place since 2019, and in that time the world has changed considerably. ARB Show is being held in a different format (as part of a separate event, APF) at a different time of year and the financial implications of that will not be fully know until after the events have happened.

5. Plans for future periods

- 5.1 On October 20th 2022 the Board of Trustees formally adopted the Strategic Plan 2022-24. This published document set out the vision of the Association as "*inspiring, supporting and promoting the tree care community for a society that better appreciates and cares for trees.*"
- 5.2 The vision of the Association feeds into three strategic objectives:
- *Inspire*. Including inclusivity and diversity, tree champions, succession and volunteers and staff.
 - *Support*. Including membership, accreditations, resources and training.
 - *Promote*. Including events, engagement, tree care supporters, website and communication channels.
- 5.3 The Strategic Plan 2022-24 can be downloaded from the Association's website, with hard copies available upon request.
- 5.4 The strategic aims and objectives of the Strategic Plan 2022-24 are measured against a comprehensive set of actions in an Operational Action Plan document which contains qualitative and quantitative targets to ensure that the strategic vision of the Association is put into practice and its ambitions successfully delivered. This Operational Action Plan is an internal document which is not published on the Association's website, but which is available upon request.

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5.5 Certain external factors beyond the control of the Association can be expected to have an impact on the activities of the organisation, such as developments in the Covid pandemic and the escalating cost of living crisis. It is hoped that the impact of another pandemic would be mitigated by the fact that the Association now has considerable experience of online activities such as events, training and meetings. The cost of living crisis could have an impact on membership levels and other activities, and this is being mitigated against through increased diversification of income streams.

6. Structure, governance and management

6.1 The Association is governed through its Articles of Association, last updated in 2015. The Trustees have overall responsibility for ensuring the Association has appropriate financial and operational controls in place, and are responsible for the strategic direction of the Association. The Trustees are the Directors of the Association and meet approximately four times per year.

6.2 The majority of Trustees are elected to the Board by the membership. In addition to this, there are three Co-opted Trustee positions which are filled by elected Trustee vote. Elected Trustees have a three-year term of office and are permitted to hold office for three consecutive terms before a minimum one-year break. The Chair of Trustees is able to defer election for an additional year if mid-way through their term as Chair. Co-opted Trustees stand for one-year terms. The Association offers an induction to new Trustees, and provides appropriate training for Trustees as required.

6.3 Operational management is overseen by the Chief Executive Officer (CEO), the pay and remuneration of which is determined by the Board of Trustees and reviewed annually. The CEO reports to the Board of Trustees and attends Board meetings to provide operational and strategic updates. The CEO and Finance Manager also attend meetings of the Finance Group (formerly the Business review Group), comprised of the Association's Chair, Vice Chair and Treasurer.

6.4 The trading arm of the Association, AATL, predominantly oversees management of the Approved Contractor Scheme. The appointed Directors of AATL are the Association's Chair, Vice Chair, CEO and Finance Manager. Profits generated by AATL are gift aided to the Association as a registered Charity.

6.5 In August/September each year the Association holds an Annual General Meeting (AGM) of members. Up until 2020 the AGM formed part of the Annual Amenity Conference, but was moved online during Covid. At the AGM the members receive the accounts of the Association, receive the report of the Board of Directors and appoint the Auditor. Result of Trustee elections are announced at the AGM.

6.6 In addition to the Board of Trustees, the Association is aided in the delivery of its charitable objective and strategic vision by a network of volunteers. This includes Committees (Professional Committee, Education and Training Committee and Media and Communications Committee) and working parties such as the Arborists' Working Group, Consultant Working Group, Utility Arborists' Group and the Women in Arboriculture Group. The Association also has ten regional Branches, coordinated by member volunteers and the Association's staff team.

7. Exemptions from disclosure

7.1 The Association claims no exemptions from disclosure.

8. Funds held as custodian Trustee on behalf of others

8.1 The Association does not act as a custodian Trustee for others.

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

9. Statement of Trustees' Responsibilities

9.1 The Charity Trustees (of whom the Chair and Vice Chair 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).

9.2 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.

9.3 The Trustees are responsible for keeping adequate 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.

9.4 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.

10. Disclosure of information to the Auditors

10.1 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 Trustees and the Auditor, have each taken all steps that they are obliged to take as Trustees in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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

10/8/2022

Signed by order of the Board of Trustees on

Michelle Ryan

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**M Ryan - Chair
Trustee**

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

Opinion

We have audited the financial statements of The Arboricultural Association for the year ended 31 December 2021 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 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 2021, 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.

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 group 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' report included within 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 Directors' report included within the Trustees' Annual Report.

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 and proper 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 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' exemptions in preparing the Trustees' Report and 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 (who are also the Directors of the charitable company for the purposes of company law) 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 Charity'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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

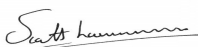
- We obtained an understanding of the legal and regulatory frameworks applicable to the Charity financial statements or that had a fundamental effect on the operations of the Charity. We determined that the most significant laws and regulations included United Kingdom Generally Accepted Accounting Practice and Companies Act 2006.
- We understood how the Charity is complying with those legal and regulatory frameworks by making inquiries of management, and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the Charity's financial statements to material misstatement including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - identifying and testing journal entries, in particular any journal entries with unusual characteristics.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/Auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company and the charitable 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)

.....17/08/2022.....
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 2021**

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME					
Income from charitable activities:					
Subscriptions		470,618	-	470,618	450,614
Other charitable activities	5	519,072	-	519,072	284,354
		<u>989,690</u>	<u>-</u>	<u>989,690</u>	<u>734,968</u>
Income from trading activities:					
Consultants and contractors		334,262	-	334,262	285,502
Advertising		44,800	-	44,800	17,515
		<u>379,062</u>	<u>-</u>	<u>379,062</u>	<u>303,017</u>
Income from investments:					
Interest received		50	-	50	222
TOTAL INCOME		<u>1,368,802</u>	<u>-</u>	<u>1,368,802</u>	<u>1,038,207</u>
EXPENDITURE					
Cost of raising funds:					
Fundraising trading		315,775	-	315,775	177,565
Expenditure on charitable activities:					
Charitable activities		891,370	-	891,370	947,758
TOTAL EXPENDITURE	6	<u>1,207,145</u>	<u>-</u>	<u>1,207,145</u>	<u>1,125,323</u>
NET MOVEMENT IN FUNDS					
Total funds brought forward		703,750	6,097	709,847	796,963
TOTAL FUNDS CARRIED FORWARD		<u>865,407</u>	<u>6,097</u>	<u>871,504</u>	<u>709,847</u>

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

The notes on pages 15 - 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 2020**

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME				
Income from charitable activities:				
Subscriptions	450,614	-	450,614	437,368
Other charitable activities	284,354	-	284,354	675,280
	734,968	-	734,968	1,112,648
Income from trading activities:				
Consultants and contractors	285,502	-	285,502	318,825
Advertising	17,515	-	17,515	29,027
	303,017	-	303,017	347,852
Income from investments:				
Interest received	222	-	222	419
TOTAL INCOME	1,038,207	-	1,038,207	1,460,919
EXPENDITURE				
Cost of raising funds:				
Fundraising trading	177,565	-	177,565	253,350
Expenditure on charitable activities:				
Charitable activities	947,758	-	947,758	1,164,431
TOTAL EXPENDITURE	1,125,323	-	1,125,323	1,417,781
NET MOVEMENT IN FUNDS	(87,116)	-	(87,116)	43,138
Total funds brought forward	790,866	6,097	796,963	753,824
TOTAL FUNDS CARRIED FORWARD	703,750	6,097	709,847	796,962

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

The notes on pages 15-28 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Intangible assets	11	68,324	91,970	68,324	91,970
Tangible assets	12	675,345	682,735	675,345	682,735
Investments	13	-	-	1	1
		<u>743,669</u>	<u>774,705</u>	<u>743,670</u>	<u>774,706</u>
Current assets					
Stock	14	31,370	18,356	31,370	18,356
Debtors	15	83,866	103,144	121,533	92,079
Cash and cash equivalents		471,173	385,240	396,007	371,292
		<u>586,409</u>	<u>506,740</u>	<u>548,910</u>	<u>481,727</u>
Current liabilities					
Creditors due within one year	16	(315,241)	(388,265)	(282,652)	(368,162)
Net current assets		<u>271,168</u>	<u>118,475</u>	<u>266,258</u>	<u>113,565</u>
Total assets less current liabilities		<u>1,014,837</u>	<u>893,180</u>	<u>1,009,928</u>	<u>888,271</u>
Non-current liabilities					
Creditors due after one year	16	(143,333)	(183,333)	(143,333)	(183,333)
Net assets		<u>871,504</u>	<u>709,847</u>	<u>866,595</u>	<u>704,938</u>
Funds of the group					
Charity restricted income funds	19	6,097	6,097	6,097	6,097
Charity unrestricted income funds	18	860,498	698,841	860,498	698,841
Non-charitable reserves	13	4,909	4,909	-	-
Total funds		<u>871,504</u>	<u>709,847</u>	<u>866,595</u>	<u>704,938</u>

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.

10/8/2022

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

Michelle Ryan

.....
M Ryan (Chair)

The notes on pages 15 - 28 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Total funds 2021 £	Total funds 2020 £
Cash flows from operating activities			
Net movement in funds		162,657	(87,116)
Finance income		(50)	(222)
Finance costs		5,044	4,831
Depreciation, amortisation and impairment	11, 12	34,371	51,860
Loss on sale of fixed assets		-	1,503
		<u>201,022</u>	<u>(29,144)</u>
(Increase) / decrease in stocks		(13,014)	7,858
Decrease in debtors		19,278	33,785
(Decrease) / increase in creditors		(74,319)	42,997
		<u>132,967</u>	<u>55,496</u>
Cash flows from investing activities			
Interest received		50	222
Purchase of tangible fixed assets		(3,335)	-
		<u>(3,285)</u>	<u>222</u>
Cash flows from financing activities			
Interest paid		(5,044)	(4,831)
Draw down of borrowings		-	200,000
Repayment of borrowings		(38,705)	(42,588)
		<u>(43,749)</u>	<u>152,581</u>
Change in cash and cash equivalents in the year		85,933	208,299
Cash and cash equivalents at 1 January		385,240	176,941
Cash and cash equivalents at 31 December		471,173	385,240

See Note 23 for Analysis of Changes in Net Debt

The notes on pages 15 - 28 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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', the Charities SORP (FRS 102) (effective 1 January 2019), and the Companies Act 2006.

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 and consider that there are no material uncertainties. 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 2021**

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

Trademark, intellectual property and technical guides are initially recorded at cost. They are not depreciated as any amortisation is considered immaterial.

Software costs are initially recorded at cost and are written off over their estimated useful life. Software costs are amortised on cost at 12.5% on a straight line basis.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	15 - 25% 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.

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.

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 by Arboricultural Association Trading Limited, a non-charitable company.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 ACCOUNTING POLICIES (continued)

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.

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.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 £161,657 (2020 – deficit of £87,116).

5 OTHER CHARITABLE ACTIVITIES

	2021	2020
	£	£
Publications	230,989	72,508
Conference	34,090	-
Workshops and seminars	182,265	92,178
Other income	58,010	56,467
Coronavirus Job Retention Scheme grant	13,718	63,201
	<u>519,072</u>	<u>284,354</u>

Coronavirus Job Retention Scheme grant

The Coronavirus Job Retention Scheme is a government grant relating to a wage subsidy programme introduced in the United Kingdom in response to the COVID-19 pandemic. The group and charitable company was entitled to the wage subsidy because it had reduced operations in the United Kingdom as a result of the pandemic. The accounting policy adopted is set out in Note 2 to the financial statements; the grant was recognised in the Statement of Financial Activity and the related wages and salaries for furloughed employees were recognised in administrative expenses.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6 TOTAL EXPENDITURE

	Direct costs	Staff costs	Support costs*	Total 2021	Total 2020
	£	£	£	£	£
Costs of raising funds					
Consultants and contractors	165,734	100,811	49,230	315,775	177,565
Expenditure on charitable activities					
Subscriptions	9,920	36,411	17,781	64,112	54,492
Publications	91,159	42,670	20,837	154,666	104,171
Conference	-	45,263	22,104	67,367	81,410
Workshops and seminars	39,972	49,573	24,208	113,753	117,397
Trade fair	6,130	-	-	6,130	64,562
Advertising and publicity	-	8,997	4,394	13,391	11,319
Promotion	22,557	38,963	19,027	80,547	83,912
Technical support	704	44,523	21,742	66,969	58,282
Meeting costs	15,338	14,542	7,101	36,981	52,697
Grant making	6,086	-	-	6,086	1,481
Newsletter / journal	48,372	23,216	11,337	82,925	92,570
Branch expenditure	-	10,484	5,120	15,604	28,218
Political expenditure	7,399	8,600	4,200	20,199	37,343
Audit fees	10,150	-	-	10,150	10,150
Finance and accounts	-	74,188	36,229	110,417	108,059
Committees and governance	-	19,360	9,454	28,814	37,604
Legal and professional fees	13,259	-	-	13,259	4,091
	<u>271,046</u>	<u>416,790</u>	<u>203,534</u>	<u>891,370</u>	<u>947,758</u>
Total 2021	<u>436,780</u>	<u>517,601</u>	<u>252,764</u>	<u>1,207,145</u>	<u>1,125,323</u>
Total 2020	<u>358,950</u>	<u>531,233</u>	<u>235,140</u>	<u>1,125,323</u>	

* Support costs of £252,764 (2020 - £235,140) include:

	2021	2020
	£	£
Depreciation / amortisation	34,371	41,182
Impairment of intangible assets	-	10,678
Loss on disposal of fixed assets	-	1,504
Premises costs	20,157	13,158
Vehicle expenses	5,419	17,561
Other staff costs	26,004	11,542
Office running costs	139,712	128,581
Finance costs	21,695	16,121
Subscriptions and representation	<u>5,406</u>	<u>5,491</u>

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7 TRANSACTIONS WITH TRUSTEES

No Trustee received any remuneration from the Association during the year (2020 - £nil).

Travel expenses totalling £6,978 (2020 - £3,990) were reimbursed to eight (2020 - five) Trustees during the year. At the year end £nil (2020 – £nil) was outstanding and owed to Trustees.

8 STAFF COSTS

	2021	2020
	£	£
Salaries and wages	427,466	451,011
Social security	42,860	40,591
Pension contributions	24,655	28,838
Redundancy costs	-	3,893
	<hr/>	<hr/>
	494,981	524,333
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the Charity are the Trustees, the Chief Executive Officer, The Technical Director and the Finance Manager. The total employee benefits of the key management personnel were £230,683 (2020 - £205,360).

Two employees received employee benefits in excess of £60,000 during the year (2020 – one).

9 STAFF NUMBERS

The average monthly head count was 13 staff (2020 - 15 staff).

10 TAXATION

All income of the charitable company falls within the exemptions afforded to corporate charities and charitable trusts by Sections 478 and 479 Corporation Tax Act 2010 and Sections 524 and 525 Income Tax Act 2007 and there is no corporation tax payable by the Charity's trading subsidiary.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11 INTANGIBLE FIXED ASSETS

Group and Charity

	Trademark	Intellectual Property	Software	Total
Cost	£	£	£	£
At 1 January 2021 and at 31 December 2021	3,112	11,678	189,167	203,957
Depreciation				
At 1 January 2021	-	10,678	101,309	111,987
Charge for the year	-	-	23,646	23,646
At 31 December 2021	-	10,678	124,955	135,633
Net book value				
At 31 December 2021	3,112	1,000	64,212	68,324
At 31 December 2020	3,112	1,000	87,858	91,970

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12 TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	738,869	6,746	13,882	759,497
Additions	-	3,335	-	3,335
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	738,869	10,081	13,882	762,832
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2021	64,386	3,893	8,483	76,762
Charge for the year	6,620	2,100	2,005	10,725
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	71,006	5,993	10,488	87,487
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2021	667,863	4,088	3,394	675,345
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	674,483	2,853	5,399	682,735
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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:

	2021	2020
	£	£
Turnover	334,262	285,502
Cost of sales	(165,734)	(80,198)
Administrative expenses	(150,041)	(97,367)
	<u> </u>	<u> </u>
Retained profit for year	18,487	107,937
	<u> </u>	<u> </u>

A Gift Aid Donation of £18,487 has been paid in respect of the 2021 retained profit post year end Gift Aid donations are recognised as distributions and presented in the Statement of Changes in Equity.

At 31 December 2021, Arboricultural Association Trading Limited had the following assets and liabilities:

	2021	2020
	£	£
Debtors	13,208	28,453
Cash at bank and in hand	75,166	13,948
Creditors: Amounts due within one year	(83,464)	(37,491)
	<u> </u>	<u> </u>
	4,910	4,910
	<u> </u>	<u> </u>
Share capital	1	1
Reserves	4,909	4,909
	<u> </u>	<u> </u>
	4,910	4,910
	<u> </u>	<u> </u>

14 STOCKS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Publications and other items for resale	31,370	18,356	31,370	18,356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	44,582	53,308	31,374	24,855
Other debtors and prepayments	39,284	49,836	39,284	49,836
Amounts owed from subsidiary	-	-	50,875	17,388
	<u>83,866</u>	<u>103,144</u>	<u>121,533</u>	<u>92,079</u>

16 CREDITORS

Creditors due within one year		Group		Charity	
	Note	2021	2020	2021	2020
		£	£	£	£
Bank loans	17	40,000	38,705	40,000	38,705
Trade creditors		40,376	49,843	25,209	48,690
Social security and other taxes		19,819	56,396	19,819	56,396
Other creditors and accruals		57,486	69,524	53,689	68,024
Deferred income		157,560	173,797	143,935	156,347
		<u>315,241</u>	<u>388,265</u>	<u>282,652</u>	<u>368,162</u>

Creditors due after one year		Group		Charity	
	Note	2021	2020	2021	2020
		£	£	£	£
Bank loans	17	143,333	183,333	143,333	183,333

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:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at 1 January	173,797	165,525	156,347	152,562
Amount released in year	(173,797)	(165,525)	(156,347)	(152,562)
Amount deferred in year	157,560	173,797	143,935	156,347
Balance at 31 December	<u>157,560</u>	<u>173,797</u>	<u>143,935</u>	<u>156,347</u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17 LOANS AND BORROWINGS

Creditors due within one year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	40,000	38,705	40,000	38,705
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Creditors due after one year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	143,333	183,333	143,333	183,333
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The bank loans include a loan 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. Bank loans also include a loan drawn down in the year under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments over six years, with £nil (2020 - £23,333) repayable by instalments after more than five years. The CBILS loan incurs interest after 12 months at 3.24% and is secured over the assets of the Charity.

18 DEFINED CONTRIBUTION PENSION SCHEME

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £24,655 (2020 - £28,838). Contributions totalling £2,684 (2020 - £3,302) were payable to the scheme at the end of the year and are included in creditors.

19 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 £1,368,802 (2020 - £1,038,207) was generated, and expenditure of £1,207,145 (2020 - £1,125,323) was incurred. As at 31 December 2021 the unrestricted fund balance amounted to £865,407 (2020 - £703,750) and includes non-charitable funds of £4,909 (2020 - £4,909).

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 (2020 - £nil), and grants of £nil (2020 - £nil) were awarded. As at 31 December 2021 the restricted fund balance amounted to £6,097 (2020 - £6,097).

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19 ANALYSIS OF ASSETS BETWEEN FUNDS

2021	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	68,324	-	68,324
Tangible fixed assets	675,345	-	675,345
Current assets	580,312	6,097	580,312
Current liabilities	(315,241)	-	(315,241)
Non-current liabilities	(143,333)	-	(143,333)
	865,407	6,097	871,504
	865,407	6,097	871,504
2020	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	91,970	-	91,970
Tangible fixed assets	682,735	-	682,735
Current assets	500,643	6,097	506,740
Current liabilities	(388,265)	-	(388,265)
Non-current liabilities	(183,333)	-	(183,333)
	703,750	6,097	709,847
	703,750	6,097	709,847

20 OPERATING LEASE COMMITMENTS

Group and Charity

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	978	4,468
Later than one year and not later than five years	1,222	917
	2,200	5,385
	2,200	5,385

The amount of operating lease payments recognised as an expense during the year was £4,468 (2020 - £13,564).

The total of future minimum lease receivable is as follows:

	2021 £	2020 £
Not later than one year	-	6,815
Later than one year and not later than five years	-	4,083
	-	10,898
	-	10,898

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21 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.

22 CONTROL

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

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021 £	Cash flows £	Other non cash changes £	At 31 December 2021 £
Analysis of changes in net debt				
Cash and cash equivalents				
Cash	385,240	85,933	-	471,173
	<u>385,240</u>	<u>85,933</u>	<u>-</u>	<u>471,173</u>
Borrowings				
Due withing 1 year	(38,705)	38,705	(40,000)	(40,000)
Due after 1 year	(183,333)	-	40,000	(143,333)
	<u>(222,038)</u>	<u>38,705</u>	<u>-</u>	<u>(183,333)</u>
Total net debt	<u>163,202</u>	<u>124,638</u>	<u>-</u>	<u>287,840</u>