

Company registration number: 04070377

Charity number: 1083845

THE ARBORICULTURAL ASSOCIATION

(A company limited by guarantee and not having a share capital)

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2014

**Arboricultural
Association**



**THE ARBORICULTURAL ASSOCIATION
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THE ARBORICULTURAL ASSOCIATION CHARITY INFORMATION

Trustees and Directors

The Trustees of the Association, who are also Directors as defined by the Company's Act 2006, who served during the calendar year 2014 or who were in post at the date of signing these financial statements were:-

J Keen	Chairman (appointed and re-elected 14/09/2014)
M Sankus	Vice Chairman
L Vine-Chatterton	Honorary Treasurer (appointed 14/09/2014)
N Beardmore	
J Bray	(appointed 22/09/2014)
J Cocking	(resigned 22/09/2014)
A Currell	
M Hemming	
J Heuch	
P Holloway	(resigned 22/09/2014)
S Holmes	
R Jackson	(appointed 15/09/2014)
K Lee	(resigned 22/09/2014)
A Parker	(appointed 05/03/2015)
E Quaife	
J Ryan	
K Sacre	(appointed 14/09/2014)
M Thomas	(resigned 22/09/2014)
P Wharton	

The Association's registered office, auditors, bankers and solicitors are as follows:-

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
Gloucestershire
GL50 1RH

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

Company registration number: 4070377

Charity number: 1083845

The Trustees submit their annual report and the audited financial statements of the Arboricultural Association for the year ended 31 December 2014.

The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Report by Charities" (SORP 2005) 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'.

Structure, Governance and Management

The Association is governed through its Memorandum of Association. During 2014 these have been reviewed with the input of a solicitor specialising in Charity law 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 2014 the Trustees met 5 times March 12th, May 8th, July 9th, Sept 14th and Nov 20th.

The Trustees are responsible for the strategic direction of the Association; operational management during 2014 was overseen by the CEO Karen Martin. 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 2014 the Trustees met [5] times including the Annual General Meeting. In November a business plan and budgets for the following year was discussed and agreed.

Throughout 2014 the Business Review Group (BRG) met on a regular basis to oversee financial performance and support the Chief Executive Officer. The BRG is made up of the Chairman, Vice Chairman, Treasurer and a Director who held the post of Chair during the previous year. The BRG will continue to meet during 2015.

At the AGM held on the 14th Sept 2014 the members:

- received the accounts of the Association for the preceding financial year to 31 December 2013;
- received the report of the Board of Directors, September 2013 to September 2014;
- 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 1 January to 31 December 2014.

Committees: The business of the Association is split amongst three standing committees (Education and Training, Media and Communications and Professional); their membership is elected by the Trustee chairing the committee and existing committee members following self-nominations from the whole membership of the Association for vacancies arising. A member of each standing committee must be a Trustee, that member is usually the committee's chairman.

In addition to the Committees there are three Working Parties, The Consultants Working Group, (CWG), the Utility Arboriculture Group (UAG) and the Arborists Working Group (AWG). The terms of reference for the respective committees and working parties who provide valuable support to the Association and Trustees, will be reviewed and any changes agreed with them and the

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

Trustees during 2016, to ensure their remit and focus is aligned to the changing needs of the Association and any revisions to governance, the AAs 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 activities, educational and social. 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. All members are allocated to a regional branch. Branches are managed by their own committees and Branch AGMs held annually.

For 2014 a Business Plan was written, aligned to the 2013 – 2017 rolling 5 year Strategy and the Objectives of the Association. This plan captured key initiatives in respect of 8 themed areas

- Financial, Governance and systems ;
- Communication;
- Membership;
- Training;
- Careers;
- Publications;
- Schemes; and
- Profile.

Each committee and working party agreed those "projects/ activities" on which they will focus during 2014. This will ensure resources in respect of staff, membership and financial are focused, "managed" and co-ordinated to best effect.

Headquarters: Objectives were agreed for all staff in 2014 aligned to the aims of the Association as contained in the Strategy and the 2014 Business Plan. Performance against individual objectives was measured and managed by management and the CEO and reported to the Chair.

The Directors of AATL as defined by the Company's Act 2006, who served during the calendar year 2014 or who were in post at the date of signing the accounts were:

- J Cocking;
- A R Poynter;
- E J Quaife; and
- J Bray.

Objects, Objectives and Principal Activities for the Public Benefit

The Association's stated object 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 rolling 5 year strategy. This strategy, agreed by the Trustees, was disseminated to members in 2013 and the Executive summary in respect of Aims, Purpose and Objectives to the widest possible audience to raise the profile of the Association and understanding as to our role.

On an annual basis a Business Plan is drafted with supporting budgets and financial forecasting and agreed with the Trustees. Committees and Working Parties play a key role supporting and advising on the implementation of the Business plan.

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

Achievements and Performance

The main activities of the Association in 2014 as defined within the Business plan included:

- the celebration of the AA achieving its 50th Anniversary and use of a revised logo to recognise this;
- the achievement of growth to agreed financial targets;
- a 5% increase in membership;
- an increase in Approved Contractors to 264;
- the achievement and introduction of Trustmark for Approved Contractors;
- the successful implementation of a marketing and communications strategy to assist setting standards in arboriculture, increasing revenue and raising the profile of Arboriculture
- introduction of additional member benefits and support;
- input to the R2 career development for arboriculture and trailblazer apprenticeships in arboriculture;
- increased attendance at the ARB Show in June – the largest Arboricultural trade show in the UK;
- continued growth in education and training events;
- a successful Amenity Conference in September with outstanding delegate feedback;
- publishing targeted and focussed information; and
- new partnerships established with the media and external agencies to raise the profile of Arboriculture , standards and public awareness.

The Consolidated Statement of Financial Activities for the year is set out on page 9 of the financial statements: the overheads are not reported separately but have been allocated to each of the principal activities of the Association.

Financial Review and Results

During the year the Association's Business Review Group (BRG) met approximately every 6 weeks when there was not a full Board meeting to provide support to the CEO with the Association's financial and operations.

The financial results of the Association are set out on 9 to 18 of this annual report and financial statements and include an income and expenditure account, balance sheet and related notes.

The Association sought to build on the surplus made in 2013 in 2014 with a view to repaying debt and strengthening its cash reserves.

The Associations reserves policy is set to:

- provide a buffer of four months base operating costs in the event, for example, of a failure in subscriptions; and
- have funds available in the event of a major campaign or project, a sum of one month's base operating costs.

Investments

The Association has no financial investments other than cash at hand and its shareholding in its trading subsidiary. Its reserves exist in the form of The Malthouse, an asset into which the Association moved on 16 April 2012 following extensive refurbishment.

Grant Making

£2,500 was donated to research (2013 - £500).

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

Future Plans against the following key strategic objectives

1. The provision of relevant and up to date information in relation to the management of trees.
2. To advance the study of arboriculture and raise the standards of its practice through the provision of training and workshops to all levels of the profession and to the general public.
3. To raise governmental and public awareness of issues relating to arboriculture.
4. To foster and promote an interest in trees through publications, exhibitions and the stimulation of research or experiments, and to grow society's appreciation of trees and engagement with tree professionals.
5. To be the voice of arboriculture to the public and other external organisations.

Plans

- Financial – Funding and maximisation of existing and new revenue streams;
- Systems the review and implementation of a CRM system to meet current and future operational requirements with a web interface supporting self-service and to best represent the Association;
- Communications - too build upon existing communication vehicles and ensure we use these to best effect to share information, support and retain membership, maximise profile and develop relationships with third parties;
- Membership - To continue to grow membership through a clearly articulated strategy;
- Training - To double the training on offer and best meet arboriculture needs;
- Careers – to promote standards within the industry which support a clearly articulated and understood career framework. To support initiatives to broaden understanding of careers in Arboriculture at FE and HE level;
- Publications – maximise sales and revenue, ensure publications achieve the overall aims of the Association;
- Accreditation Schemes - continue to grow both the Approved Contractor and Registered Consultants schemes to agreed targets; and
- Profile - to continue to maximise the profile of Arboriculture and its value across the UK.

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

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit and loss of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- 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; and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume the company will continue in business.

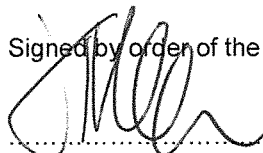
The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the Auditors

Each Trustee has taken steps that ought to have been taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of which they know the auditor are unaware of.

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 17 July 2015



J Keen (Chairman)
Trustee

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

We have audited the financial statements of The Arboricultural Association the year ended 31 December 2014, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association'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 Charity's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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.

We have been appointed auditor under the Companies Act 2006 and the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 Company'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 non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2014, 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.

Opinion on other matter prescribed by the Companies Act 2006

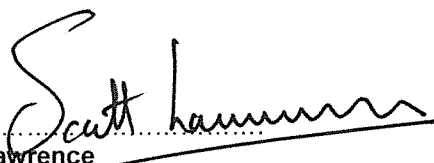
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.


.....
S M Lawrence
(Senior Statutory Auditor)

21 July 2015
.....
Date

For and on behalf of Hazlewoods LLP, Statutory Auditor
Cheltenham

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2014**

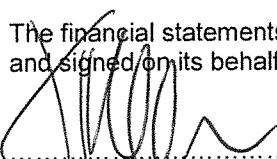
	Note	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities to generate funds:					
Advertising		13,273	-	13,273	10,600
Raffle		199	199	398	769
Consultants and contractors		239,191	-	239,191	195,033
		<u>252,663</u>	<u>199</u>	<u>252,862</u>	<u>206,402</u>
Investment income:					
Interest received		296	25	321	407
		<u>296</u>	<u>25</u>	<u>321</u>	<u>407</u>
Incoming resources from charitable activities					
Subscriptions		317,822	-	317,822	298,078
Other charitable activities	2	543,201	-	543,201	465,534
		<u>861,023</u>	<u>-</u>	<u>861,023</u>	<u>763,612</u>
TOTAL INCOMING RESOURCES		1,113,982	224	1,114,206	970,421
RESOURCES EXPENDED					
Cost of generating funds – fundraising trading		199,415	-	199,415	177,200
Charitable activities – normal		848,552	2,500	851,052	762,175
Charitable activities – exceptional		(57,000)	-	(57,000)	-
Governance costs		12,464	-	12,464	9,853
		<u>1,003,431</u>	<u>2,500</u>	<u>1,005,931</u>	<u>949,228</u>
TOTAL RESOURCES EXPENDED	3	1,003,431	2,500	1,005,931	949,228
NET MOVEMENT IN FUNDS		110,551	(2,276)	108,275	21,274
Total funds brought forward		510,389	8,345	518,734	497,541
TOTAL FUNDS CARRIED FORWARD	16	620,940	6,069	627,009	518,734

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	Group		Charity	
		2014 £	2013 £	2014 £	2013 £
Fixed assets					
Intangible assets	8	675	675	675	675
Tangible assets	9	752,279	762,501	752,279	762,501
Investments	10	-	-	1	1
		<u>752,954</u>	<u>763,176</u>	<u>752,955</u>	<u>763,177</u>
Current assets					
Stock	11	8,172	16,789	8,172	16,789
Debtors	12	188,245	116,133	151,086	38,231
Bank and cash in hand		287,799	181,347	164,285	123,594
		<u>484,216</u>	<u>314,269</u>	<u>323,543</u>	<u>178,614</u>
Creditors: amounts falling due within one year	13	(418,801)	(340,890)	(263,038)	(210,145)
Net current liabilities		<u>65,415</u>	<u>(26,621)</u>	<u>60,505</u>	<u>(31,531)</u>
Total assets less current liabilities		818,369	736,555	813,460	731,646
Creditors: amounts falling due after one year	14	(191,360)	(217,821)	(191,360)	(217,821)
Net assets		<u>627,009</u>	<u>518,734</u>	<u>622,100</u>	<u>513,825</u>
Funds					
Restricted	15	6,069	8,345	6,069	8,345
Unrestricted – charity		616,031	505,480	616,031	505,480
Non-charitable reserves	10	4,909	4,909	-	-
	16	<u>627,009</u>	<u>518,734</u>	<u>622,100</u>	<u>513,825</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees and authorised for issue on 17 July 2015 and signed on its behalf by:


.....
J Keen (Chairman)
Trustee

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies, all of which are in accordance with Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005) issued in March 2005, the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Arboricultural Association has adapted the Companies Act 2006 formats to reflect the special nature of its charitable activities.

Basis of Consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the Arboricultural Association and its subsidiary undertaking Arboricultural Association Trading Limited made up to 31 December 2014. Intra-group transactions and profits are eliminated fully on consolidation.

As permitted by the Companies Act 2006 no separate statement of financial activities has been presented for the Arboricultural Association.

Incoming resources

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.

Resources expended

All expenditure is included when it is incurred.

Resources expended are 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.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

All assets costing more than £1,000 which were 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% of net book value
Website	3 years straight line
Fixtures and fittings	15% and 5% of net book value

Intangible fixed assets

Intangible fixed assets, which consist of a trade mark, are not depreciated because annual payments made to protect their existence are charged to the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Pensions

The Arboricultural Association makes contributions to individual personal pension schemes of eligible employees. These are defined contribution schemes.

2 OTHER CHARITABLE ACTIVITIES

	2014 £	2013 £
Publications	94,735	61,551
Conference	139,815	131,447
Workshops and seminars	174,425	164,406
Trade fair	69,345	75,389
Other income	64,881	32,741
	<hr/>	<hr/>
	543,201	465,534
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THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3 TOTAL RESOURCES EXPENDED

	Direct costs £	Staff costs £	Other support costs * £	Total 2014 £	Total 2013 £
Cost of generating funds					
Consultants and contractors	100,473	67,081	31,770	199,324	177,200
Charitable activities					
Subscriptions	10,946	37,542	7,412	55,900	50,774
Publications	54,145	14,523	6,354	74,931	42,857
Conference **	44,948	32,414	15,885	93,247	133,465
Workshops and seminars	99,510	54,199	26,475	180,184	189,964
Trade fair	49,687	32,414	18,003	100,104	101,430
Advertising & publicity	25,201	7,508	2,118	34,827	8,755
Promotion	8,940	36,307	18,003	63,250	83,539
Technical support	17,283	24,689	11,649	53,621	33,612
Meeting costs	35,069	14,523	7,413	57,005	45,294
Grant making	2,500	29	106	2,635	634
Newsletter / journal	55,347	16,647	6,354	78,348	71,851
	403,576	270,795	119,772	794,143	762,175
Governance costs					
Audit fees	8,000	-	-	8,000	8,000
Legal and professional fees	4,464	-	-	4,464	1,853
	12,464	-	-	12,464	9,853
Total 2014	516,513	337,876	151,542	1,005,931	949,228
Total 2013	497,343	295,720	156,165	949,228	

	2014 £	2013 £
* Support costs of £151,542 (2013 - £156,165) include:		
Depreciation	9,488	14,732
Loss on disposals	733	-
Premises costs	21,794	24,841
Vehicle expenses	14,271	10,324
Professional indemnity insurance	6,737	6,707
Office running costs	59,575	61,032
Subscriptions and representation	1,011	990

** Included in conference costs is the reversal of a £57,000 accrual which is no longer required.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4 TRANSACTIONS WITH TRUSTEES

No trustee received any remuneration from the Arboricultural Association during the year (2013 - £nil).

Travel expenses totalling £8,085 (2013 - £6,270) were reimbursed to eight (2013 - five) trustees during the year.

5 STAFF COSTS

	2014 £	2013 £
Salaries and wages	289,052	253,529
Social security	30,680	26,327
Pension contributions	18,144	15,864
	<u>337,876</u>	<u>295,720</u>

One employee received emoluments of more than £60,000 (2013 – one).

The average number of staff employed, including part time staff was ten (2013 - nine). All staff time is attributable to the charitable activities.

6 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.

7 SURPLUS FOR THE FINANCIAL YEAR

As permitted by section 408 Companies Act 2006, the parent company's statement of financial activities has not been included in these financial statements. Its surplus for the financial year was:

	2014 £	2013 £
Parent company's surplus for the financial year	<u>51,275</u>	<u>21,193</u>

8 INTANGIBLE FIXED ASSETS

Group and charity	Trade mark £
Cost and net book value	
At 1 January 2014 and at 31 December 2014	<u>675</u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9 TANGIBLE FIXED ASSETS

Group and charity	Freehold property £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
At 1 January 2014	768,904	39,372	6,900	815,176
Disposals	-	(5,430)	(2,060)	(7,490)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	768,904	33,942	4,840	807,686
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 January 2014	13,312	33,825	5,538	52,675
Charge for the year	7,689	1,548	251	9,488
Disposals	-	(4,822)	(1,935)	(6,757)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	21,001	30,551	3,854	55,406
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 December 2014	747,903	3,390	986	752,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2013	755,592	5,547	1,362	762,501
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 INVESTMENTS

Company

The wholly owned subsidiary, Arboricultural Association Trading Limited, a company registered in England and Wales, 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 transferred to the Arboricultural Association.

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

The results of Arboricultural Association Trading Limited were:

	2014 £	2013 £
Turnover	239,191	195,033
Cost of sales	(100,473)	(85,751)
Administrative expenses	(123,250)	(102,069)
Donation to the Arboricultural Association	(15,468)	(7,213)
	<u> </u>	<u> </u>
Retained profit for year	-	-
	<u> </u>	<u> </u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 INVESTMENTS (continued)

Company

At 31 December 2014, Arboricultural Association Trading Limited had the following assets and liabilities:

	2014 £	2013 £
Debtors	87,820	84,700
Cash at bank and in hand	123,514	57,753
Creditors: Amounts falling due within one year	(206,424)	(137,543)
	<u>4,910</u>	<u>4,910</u>
Share capital	1	1
Reserves	4,909	4,909
	<u>4,910</u>	<u>4,910</u>

11 STOCKS

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Publications and other items for resale	8,172	16,789	8,172	16,789
	<u>8,172</u>	<u>16,789</u>	<u>8,172</u>	<u>16,789</u>

12 DEBTORS

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	171,174	96,801	83,354	18,899
Other debtors and prepayments	17,071	19,332	17,071	19,332
Amounts owed to subsidiary	-	-	50,661	-
	<u>188,245</u>	<u>116,133</u>	<u>151,086</u>	<u>38,231</u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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**13 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Bank loan	30,945	25,895	30,945	25,895
Trade creditors	40,302	35,608	31,757	28,557
Social security and other taxes	39,563	15,558	39,563	15,558
Amounts owed to subsidiary	-	-	-	6,798
Other creditors	5,290	8,832	5,290	8,832
Accruals	61,842	43,408	59,342	40,908
Deferred income	240,859	154,589	96,141	26,597
	<u>418,801</u>	<u>283,890</u>	<u>263,038</u>	<u>153,145</u>

The bank loan is secured by a fixed charge over the property of the Arboricultural Association.

**14 CREDITORS: AMOUNTS FALLING DUE
AFTER ONE YEAR**

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Bank loan	191,360	217,821	191,360	217,821

The bank loan is secured by a fixed charge over the property of the Arboricultural Association.

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Due after more than five years by instalments	67,581	94,263	67,581	94,263

15 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 £224 (2013 - £419), and grants of £2,500 (2013 - £500) were awarded. At 31 December 2014 the restricted fund balance amounted to £6,069 (2013 - £8,345).

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16 ANALYSIS OF ASSETS BETWEEN FUNDS	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	675	-	675
Tangible fixed assets	752,279	-	752,279
Current assets	478,147	6,069	484,216
Current liabilities	(418,801)	-	(418,801)
Long term liabilities	(191,360)	-	(191,360)
	<u>620,940</u>	<u>6,069</u>	<u>627,009</u>

17 OPERATING LEASE COMMITMENTS	2014	2013
	Other assets	Other assets
	£	£
Expiring within one year	3,157	1,790
Expiring in 2 to 5 years	7,959	4,735
	<u>11,116</u>	<u>6,525</u>

18 CONTROL

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