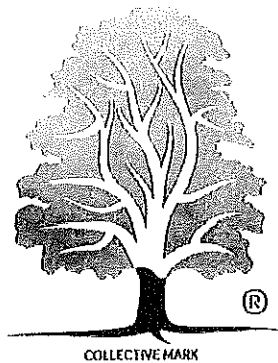


THE ARBORICULTURAL ASSOCIATION

(A company limited by guarantee)

**ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2016



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

K Sacre – Chairman
J Bray – Vice - Chairman
L Vine Chatterton - Co-Opted Treasurer
J Cocking
G Collins
A Durkin
S Holmes
R Jackson
I Murat
A Parker
L Sanderson
M Sankus

Key Management

S Wardrop – Chief Executive Officer

Registered Office

The Malthouse
Stroud Green
Standish
Stonehouse
GL10 3DL

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Bankers

Natwest Bank Plc
27 Market Place
Romsey
SO51 8ZH

Solicitors

Willans LLP
28 Imperial Square
Cheltenham
GL50 1RH

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

The Trustees submit their annual report and the audited financial statements of the Arboricultural Association for the year ended 31 December 2016.

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

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

Reference and Administrative Details

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

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

Jago Keen	Chairman	End of term 5 th September 2016
Keith Sacre	Chairman	Chair from 5 th September 2016,
Jaime Bray	Vice Chair	Vice Chair from 5 th September 2016
Laurence Vine-Chatterton	Honorary Treasurer	
Jonathon Cocking	Trustee	
Ged Collins	Trustee	
Alastair Durkin	Trustee	
Jon Heuch	Trustee	End of term 5 th September 2016
Simon Holmes	Trustee	
Robin Jackson	Co-opt Trustee	
Ian Murat	Trustee	
Alan Parker	Co-opt Trustee	
Jim Quaife	Trustee	End of term 5 th September 2016
Lisa Sanderson	Trustee	End of term 19 th December 2016
Mike Sankus	Trustee	
Pete Wharton	Trustee	End of term 5 th September 2016

Structure, Governance and Management

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

The Trustees have overall responsibility for ensuring the Association has in place appropriate systems and controls, both financial and operational. During 2016 the Trustees met 5 times (2015 – 5 times) in March, May, July, September and November.

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

The Trustees are responsible for the strategic direction of the Association; operational management during the year was overseen by the CEO (Karen Martin to 30th June 2016; Stewart Wardrop from 3rd October 2016). 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 2016 the Trustees met 5 times including the Annual General Meeting.

Throughout 2016 the Business Review Group (BRG) met on a regular basis to oversee financial and operational performance and to support the Chief Executive Officer(s).

The BRG is made up of the Chairman, Vice Chairman, Immediate Past Chairman and Treasurer. During 2016 a co-opted Trustee with expertise in IT was part of the BRG meetings; the ongoing requirement for this expertise will cease at the end of 2017.

The BRG will continue to meet during 2017.

The Chairman and BRG group held an increased operational remit during the period from 1st July to 3rd October 2016 in supporting the staff during the period of operation without a CEO in place.

At the AGM held on the 5th September 2016 the members:

- received the accounts of the Association for the preceding financial year to 31 December 2015;
- received the report of the Board of Directors, September 2015 to September 2016;
- 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.
- voted in the Changes to the Memorandum of Association

There were no EGM's called during the year 1 January 2016 to 31 December 2016.

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 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 chairperson. The Board elects the Chair.

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, will be reviewed and any changes agreed with them and the Trustees during 2017, 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. Their own committees manage branches and Branch AGMs held annually. A Technical Officer at HQ provides support and co-ordination of Branch activities.

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

Business Plan: The current Business Plan is aligned to delivery of the 2013 – 2017 5year Strategy and the Objectives of the Association.

The Association focused on the implementation and integration of a new CRM IT system; it was agreed that in 2016 the Association consolidates its position and continues to build financial resilience.

The business plan captured ongoing work streams in respect of themed areas namely -

- 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 2016. This ensured resources in respect of staff, membership and financial were focused, "managed" and co-ordinated to best effect.

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

- J Cocking
- E J Quaife
- J Bray

Objectives and Activities

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 5year strategy covering the period to 2017.

This strategy, agreed by the Trustees, was disseminated to members in 2013 and the Executive summary in respect of Aims, Purpose and Objectives. It is shared with the widest possible audience and communicated on the web. There is an ongoing plan and work activities to raise the profile of the Association and public understanding as to our role and the value of trees in green urban infrastructures.

The Association has identified 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 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.

A revised strategy covering the period beyond 2018 will be developed by the trustees during 2017.

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

Business plan

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.

Public benefit

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

The introduction of a revised website in 2016 has helped further support the Public to access Arboriculture Contractors and Consultants and provides a vehicle to share information to all in respect of the latest Arboriculture news, training courses (open to non-members) and any tree related alerts.

The Association continues to play a key role in respect of the provision of free advice to arborists. In addition, the Association presents at various forums through its staff and volunteers on the value of trees, to build awareness and understanding through its Show, the Conference and Branch events. The Association is an active partner working on the Development of apprenticeships for arboriculture.

Grant making

£4,000 donations were made to research in 2016.

Achievements and Performance

The main activities of the Association in 2016 as defined within the Business plan included:

- Revenue growth against pre-agreed financial targets, including the delivery of a small surplus;
- Ongoing growth of membership numbers;
- Maintenance of Approved contractor and registered consultant schemes;
- Input into the development of trailblazer apprenticeships in arboriculture;
- Increased political engagement via the Associations membership and active participation within the All Party Parliamentary group on Horticulture;
- Delivery of a "Branching out" event at which all branches were represented;
- Delivery of the 2016 ARB Show in June at Westonbirt – the largest Arboricultural trade show in the UK;
- Continued growth of educational, training and certification activity;
- Delivery of the Amenity Conference in September at Keele University;
- New partnerships and networks being established to raise the profile of Arboriculture, standards and public awareness;
- The ongoing integration and implementation phase of the new CRM system and website.

The Consolidated Statement of Financial Activities for the year is set out on page 11 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

During the year the Association's Business Review Group (BRG) met approximately every 6 weeks to provide support to the CEO with the Association's finance and operations.

The financial results of the Association are set out on pages 11 to 26 of this annual report and financial statements and include an income and expenditure account, balance sheet and related notes.

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

Building on the surplus from 2014 and 2015 the Association generated a small surplus again in 2016 and had sufficient reserves at the end of the year to repay its debt and increase its cash reserves. An overdraft facility of £50,000 was also put in place but its use was not required during 2016.

Principal Operational risks

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

- CRM System
 - The implementation and operational delivery of the new CRM system during 2016 was not satisfactory. Various project elements were delivered significantly behind the agreed time schedule; the Association subsequently diverted resource to the project which resulted in the other areas of the business being adversely effected. The anticipated business performance improvement, financial savings and efficiency benefits are yet to be fully realised.

- Broadband connectivity
 - The lack of high speed Broadband connectivity, given the rural location of the HQ building, has impacted upon the efficiency of ongoing operations.

Funding sources

The key revenue streams of the Association are

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

Reserves

The Charity had the following reserves at 31 December 2016:

Restricted income funds	£6,086	(2015 - £6,080)
Unrestricted income funds	£656,608	(2015 - £637,873)

The Association's reserves policy in 2016 was 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.

The Association had sufficient liquid reserves, in the form of cash and cash equivalents, at the 31 December 2016 of £211,279 (2015 - £204,066).

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 to in 2012 following extensive refurbishment.

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

Plans for future periods

The future plans of the Association are aligned to the key strategic objectives identified above. Such future plans include:

- Financial – To build reserves and financial stability; build upon existing and development of new revenue streams;
- Systems - to complete the implementation and integration of the CRM system and website; deliver the anticipated efficiency benefits deriving from this investment;
- Communications - to build upon existing and develop new methods of communication in keeping with best practice;
- Information – ensure we share information to support and retain membership, maximise profile and develop relationships with relevant third parties and the public at large;
- To provide advice via cost effective and relevant information streams to the public
- Membership - To measure and improve customer service levels; measure and improve membership engagement activity.
- Training - To ensure training best meets 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 – grow 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.

Statement of Trustees' Responsibilities

The charity trustees (who are also the directors of the Association for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 jurisdiction.


Disclosure of information to the Auditors

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

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

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

Signed by order of the Board of Trustees on 08/08/07


.....
K Sacre (Chairman)
Trustee

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

We have audited the financial statements of The Arboricultural Association for the year ended 31 December 2016, 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 Charitable 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 2016, 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.

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

Opinion on other matter prescribed by the Companies Act 2006

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

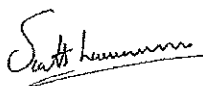
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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)**

9 August 2017
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 2016

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
INCOME					
Income from charitable activities:					
Subscriptions		353,069	-	353,069	331,724
Other charitable activities	5	582,609	-	582,609	563,446
		<u>935,678</u>	<u>-</u>	<u>935,678</u>	<u>895,170</u>
Income from trading activities:					
Consultants and contractors		288,088	-	288,088	284,199
Advertising		54	-	54	9,989
		<u>288,142</u>	<u>-</u>	<u>288,142</u>	<u>294,188</u>
Income from investments:					
Interest received		157	6	164	196
		<u>1,223,977</u>	<u>6</u>	<u>1,223,985</u>	<u>1,189,554</u>
TOTAL INCOME					
EXPENDITURE					
Cost of raising funds:					
Fundraising trading		249,927	-	249,927	241,401
Expenditure on charitable activities:					
Charitable activities – normal		955,315	-	955,315	931,209
		<u>1,205,242</u>	<u>-</u>	<u>1,205,242</u>	<u>1,172,610</u>
TOTAL EXPENDITURE					
NET MOVEMENT IN FUNDS					
		18,735	6	18,741	16,944
Total funds brought forward		637,873	6,080	643,953	627,009
		<u>656,608</u>	<u>6,086</u>	<u>662,694</u>	<u>643,953</u>
TOTAL FUNDS CARRIED FORWARD					

The statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 15-26 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 2016

	Note	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
INCOME					
Income from charitable activities:					
Subscriptions		331,724	-	331,724	317,822
Other charitable activities	5	563,446	-	563,446	543,201
		<u>895,170</u>	<u>-</u>	<u>895,170</u>	<u>861,023</u>
Income from trading activities:					
Consultants and contractors		284,199	-	284,199	239,191
Advertising		9,989	-	9,989	13,273
Raffle		-	-	-	398
		<u>294,188</u>	<u>-</u>	<u>294,188</u>	<u>252,862</u>
Income from investments:					
Interest received		185	11	196	321
TOTAL INCOME		<u>1,189,543</u>	<u>11</u>	<u>1,189,554</u>	<u>1,114,206</u>
EXPENDITURE					
Cost of raising funds:					
Fundraising trading		241,401	-	241,401	199,415
Expenditure on charitable activities:					
Charitable activities – normal		931,209	-	931,209	863,516
Charitable activities – exceptional		-	-	-	(57,000)
		<u>931,209</u>	<u>-</u>	<u>931,209</u>	<u>806,516</u>
TOTAL EXPENDITURE	6	<u>1,172,610</u>	<u>-</u>	<u>1,172,610</u>	<u>1,005,931</u>
NET MOVEMENT IN FUNDS		<u>16,933</u>	<u>11</u>	<u>16,944</u>	<u>108,275</u>
Total funds brought forward		<u>620,940</u>	<u>6,069</u>	<u>627,009</u>	<u>518,734</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>637,873</u></u>	<u><u>6,080</u></u>	<u><u>643,953</u></u>	<u><u>627,009</u></u>

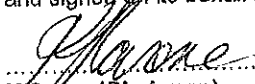
The statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 15-26 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Fixed assets					
Intangible assets	11	4,112	675	4,112	675
Tangible assets	12	858,266	890,962	858,266	890,962
Investments	13	-	-	1	1
		<u>862,378</u>	<u>891,637</u>	<u>862,379</u>	<u>891,638</u>
Current assets					
Stock	14	14,050	7,000	14,050	7,000
Debtors	15	98,497	43,914	93,908	38,955
Cash and cash equivalents		211,279	204,066	122,566	142,419
		<u>323,826</u>	<u>254,980</u>	<u>230,524</u>	<u>188,374</u>
Current liabilities					
Creditors due within one year	16	(378,403)	(338,501)	(290,011)	(276,805)
Net current (liabilities) / assets		<u>(54,577)</u>	<u>(83,521)</u>	<u>(59,487)</u>	<u>(88,431)</u>
Total assets less current liabilities		<u>807,801</u>	<u>808,116</u>	<u>802,892</u>	<u>803,207</u>
Non-current liabilities					
Creditors due after one year	17	(145,107)	(164,163)	(145,107)	(164,163)
Net assets		<u>662,694</u>	<u>643,953</u>	<u>657,785</u>	<u>639,044</u>
Funds of the group					
Charity restricted income funds	18	6,086	6,080	6,086	6,080
Charity unrestricted income funds	18	651,699	632,964	651,699	632,964
Non-charitable reserves	13	4,909	4,909	-	-
Total funds		<u>662,694</u>	<u>643,953</u>	<u>657,785</u>	<u>639,044</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.

The financial statements were approved by the Trustees and authorised for issue on 08/08/17 and signed on its behalf by:


K. Sacre (Chairman)
Trustee

The notes on pages 15-26 form part of these financial statements.

THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total funds 2016 £	Total funds 2015 £
Cash flows from operating activities			
Net movement in funds		18,741	16,944
Finance income		(163)	(196)
Finance costs		9,549	9,192
Depreciation	12	32,696	8,732
		<u>60,823</u>	<u>34,672</u>
(Increase) / decrease in stocks		(7,050)	1,172
(Increase) / decrease in debtors		(54,583)	144,331
Increase / (decrease) in creditors		51,466	(80,000)
Net cash provided by operating activities		<u>50,656</u>	<u>100,175</u>
Cash flows from investing activities			
Interest received		163	196
Purchase of intangible fixed assets	11	(3,112)	(147,415)
Net cash used in investing activities		<u>(2,949)</u>	<u>(147,219)</u>
Cash flows from financing activities			
Interest paid		(9,549)	(9,192)
Repayment of borrowings		(30,945)	(27,497)
Net cash used in financing activities		<u>(40,494)</u>	<u>(36,689)</u>
Change in cash and cash equivalents in the year		7,213	(83,733)
Cash and cash equivalents at 1 January		204,066	287,799
Cash and cash equivalents at 31 December		<u>211,279</u>	<u>204,066</u>

The notes on pages 15-26 form part of these financial statements.

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

1 GENERAL INFORMATION

The Arboricultural Association a registered charity, incorporated in the United Kingdom 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 Charities SORP, and the Companies Act 2006, as applicable in the United Kingdom and Republic of Ireland. The Arboricultural Association meets the definition of a public benefit entity under FRS 102.

Basis of preparation

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

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.

Restatement

The comparative balances for Tangible Fixed Assets are restated to correct the disclosure of Freehold Property and Fixtures & Fittings for assets with a cost of £31,716, accumulated depreciation of £1,180 and a net book value of £30,536 as at 31 December 2015, which were incorrectly classified within Freehold Property to present the assets within Fixtures & Fittings. There is no effect on the Statement of Financial Activities in the current or prior year, nor on retained funds of the Group, and is a correction of disclosure only.

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.

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

2 ACCOUNTING POLICIES (continued)

Expenditure

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

Grants payable

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

Intangible fixed assets

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

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%/12.5% of net book value
Fixtures and fittings	20% straight line

During the year, there has been a change in accounting policy with regards to the classification of fixtures and fittings. This has previously been accounted for within freehold property, but has now been categorised separately within fixtures and fittings within these financial statements.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. 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.

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

Trade and other creditors

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

Borrowings

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

Funds accounting

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

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

Operating leases

Lease rental costs 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. 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 ACCOUNTING POLICIES (continued)

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.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

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

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

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

3 LEGAL STATUS OF THE CHARITY

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

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

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 £13,120 (2015 - £16,944)

5 OTHER CHARITABLE ACTIVITIES

	2016 £	2015 £
Publications	81,626	63,553
Conference	108,170	145,503
Workshops and seminars	188,040	179,632
Trade fair	87,342	91,250
Sponsorship	25,527	23,660
Other income	91,904	59,848
	<u>582,609</u>	<u>563,446</u>

6 TOTAL EXPENDITURE

	Direct costs £	Staff costs £	Support costs* £	Total 2016 £	Total 2015 £
Costs of raising funds					
Consultants and contractors	119,806	80,042	50,079	249,927	241,401
	<u>119,806</u>	<u>80,042</u>	<u>50,079</u>	<u>249,927</u>	<u>241,401</u>
Expenditure on charitable activities					
Subscriptions	11,095	44,795	11,685	67,575	64,822
Publications	30,890	17,329	10,016	58,235	70,039
Conference	73,806	38,677	25,040	137,523	163,030
Workshops and seminars	102,219	64,670	41,734	208,623	182,239
Trade fair	61,713	38,677	28,378	128,768	121,841
Advertising & publicity	-	8,959	3,339	12,298	12,121
Promotion	16,448	43,322	28,378	88,148	81,549
Technical support	47,210	29,459	18,363	95,032	59,534
Meeting costs	38,305	17,329	11,685	67,319	71,877
Grant making	3,057	35	167	3,259	175
Newsletter / journal	46,872	19,863	10,016	76,751	87,841
Audit fees	8,000	-	-	8,000	8,000
Legal and professional fees	3,784	-	-	3,784	8,141
	<u>443,399</u>	<u>323,115</u>	<u>188,801</u>	<u>955,315</u>	<u>931,209</u>
Total 2016	<u>563,205</u>	<u>403,157</u>	<u>238,880</u>	<u>1,205,242</u>	<u>1,172,610</u>
Total 2015	<u>553,563</u>	<u>420,756</u>	<u>198,291</u>	<u>1,172,610</u>	

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

6 TOTAL EXPENDITURE (continued)

* Support costs of £238,880 (2015 - £198,291) include:	2016 £	2015 £
Depreciation	33,371	8,733
Loss on disposals	-	-
Premises costs	15,922	17,737
Vehicle expenses	23,605	19,245
Professional indemnity insurance	-	-
Office running costs	111,419	115,497
Subscriptions and representation	1,764	2,408
	<u>111,419</u>	<u>115,497</u>

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

7 TRANSACTIONS WITH TRUSTEES

No Trustee received any remuneration from the Association during the year (2015 - £nil).

Travel expenses totalling £11,988 (2015 - £8,942) were reimbursed to ten (2015 - eight) Trustees during the year.

8 STAFF COSTS

	2016 £	2015 £
Salaries and wages	332,390	360,802
Social security	35,703	38,433
Pension contributions	23,598	21,522
	<u>391,691</u>	<u>420,757</u>

The key management personnel of the Charity are the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel were £61,465 (2015 - £65,382).

One employee received employee benefits in excess of £60,000 during the year (2015 - one).

9 STAFF NUMBERS

The average monthly head count was 11 staff (2015 - 12 staff). The average number of full-time equivalent employees during the year was:

	2016 No.	2015 No.
Management	1	1
Technical	3	3
Administration	7	7
	<u>11</u>	<u>11</u>

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

10 TAXATION

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

11 INTANGIBLE FIXED ASSETS

Group and charity

	Trademark £	Intellectual Property £	Trademark £
Cost and net book value			
At 1 January 2016	675	-	675
Addition	3,112	1,000	4,112
Disposal	(675)	-	(675)
	<u>3,112</u>	<u>1,000</u>	<u>4,112</u>
At 31 December 2016	<u>3,112</u>	<u>1,000</u>	<u>4,112</u>

12 TANGIBLE FIXED ASSETS

Group and charity

	Freehold property (restated) £	Computer equipment £	Fixtures & fittings (restated) £	Total £
Cost				
At 1 January 2016	737,188	166,387	36,556	940,131
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>737,188</u>	<u>166,387</u>	<u>36,556</u>	<u>940,131</u>
At 31 December 2016	<u>737,188</u>	<u>166,387</u>	<u>36,556</u>	<u>940,131</u>
Depreciation				
At 1 January 2016	27,510	16,429	5,230	49,169
Charge for the year	7,372	19,062	6,262	32,696
Disposals	-	-	-	-
	<u>34,882</u>	<u>35,491</u>	<u>11,492</u>	<u>81,865</u>
At 31 December 2016	<u>34,882</u>	<u>35,491</u>	<u>11,492</u>	<u>81,865</u>
Net book value				
At 31 December 2016	<u>702,308</u>	<u>130,895</u>	<u>25,064</u>	<u>858,266</u>
At 31 December 2015	<u>709,678</u>	<u>149,958</u>	<u>31,326</u>	<u>890,962</u>

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

12 TANGIBLE FIXED ASSETS (continued)

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

13 INVESTMENTS

Company

The wholly owned subsidiary, Arboricultural Association Trading Limited, is a company registered in the United Kingdom. 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 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 activities and results of Arboricultural Association Trading Limited were:

	2016 £	2015 £
Turnover	288,088	284,199
Cost of sales	(115,150)	(115,907)
Administrative expenses	(140,370)	(153,760)
Donation to The Arboricultural Association	(32,568)	(14,532)
	<u> </u>	<u> </u>
Retained profit for year	-	-
	<u> </u>	<u> </u>

At 31 December 2016, Arboricultural Association Trading Limited had the following assets and liabilities:

	2016 £	2015 £
Debtors	11,810	56,357
Cash at bank and in hand	88,713	61,647
Creditors: Amounts due within one year	(95,613)	(113,094)
	<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>

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

14 STOCKS

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Publications and other items for resale	14,050	7,000	14,050	7,000

15 DEBTORS

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	62,271	14,692	50,461	9,733
Other debtors and prepayments	36,226	29,222	36,226	29,222
Amounts owed from subsidiary	-	-	7,221	-
	98,497	43,914	93,908	38,955

16 CREDITORS DUE WITHIN ONE YEAR

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Bank loans	30,945	30,645	30,945	30,645
Trade creditors	65,784	68,446	51,130	46,003
Social security and other taxes	28,090	14,346	28,090	14,346
Amounts owed to subsidiary	-	-	-	51,398
Other creditors and accruals	54,371	90,017	51,870	87,517
Deferred income	199,213	135,047	127,976	46,896
	378,403	338,501	290,011	276,805

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

Deferred income relates to membership subscriptions 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	
	2016 £	2015 £	2016 £	2015 £
Balance at 1 January	135,047	240,859	46,896	96,141
Amount released in year	(135,047)	(240,859)	(46,896)	(96,141)
Amount deferred in year	199,213	135,047	127,976	46,896
	199,213	135,047	127,976	46,896

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

17 CREDITORS DUE AFTER ONE YEAR

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Bank loans (due between 2 and 5 years)	123,779	124,080	123,779	124,080
Bank loans (due after 5 years)	10,464	40,083	10,464	40,083
Other creditors	10,864	-	10,864	-
	<u>145,107</u>	<u>164,163</u>	<u>145,107</u>	<u>164,163</u>

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

The other creditors consist of a creditor in relation to a European Government grant which is being utilised over its useful life. There are certain conditions attached to this grant, being that the work programme that the grant has been taken out for must be adhered to and thoroughly documented, as well as communication being upheld to the Co-ordinator of the grant.

18 ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

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

During the year, income of £1,223,977 (2015 - £1,189,543) was generated, and expenditure of £1,205,242 (2015 - £1,172,610) was incurred. At 31 December 2016 the unrestricted fund balance amounted to £656,608 (2015 - £637,873).

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 £6 (2015 - £11), and grants of £nil (2015 - £nil) were awarded. At 31 December 2016 the restricted fund balance amounted to £6,086 (2015 - £6,080).

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016

19 ANALYSIS OF ASSETS BETWEEN FUNDS

2016	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	4,112	-	4,112
Tangible fixed assets	858,266	-	858,266
Current assets	317,740	6,086	323,826
Current liabilities	(378,403)	-	(378,403)
Non-current liabilities	(145,107)	-	(145,107)
	<u>656,608</u>	<u>6,086</u>	<u>662,694</u>
	<u><u>656,608</u></u>	<u><u>6,086</u></u>	<u><u>662,694</u></u>
2015	Unrestricted funds £	Restricted funds £	Total funds £
Intangible fixed assets	675	-	675
Tangible fixed assets	890,962	-	890,962
Current assets	248,900	6,080	254,980
Current liabilities	(338,501)	-	(338,501)
Non-current liabilities	(164,163)	-	(164,163)
	<u>637,873</u>	<u>6,080</u>	<u>643,953</u>
	<u><u>637,873</u></u>	<u><u>6,080</u></u>	<u><u>643,953</u></u>

20 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, the charity entered into the following related party transactions:

Alistair Durkin – Trustee

At 31 December 2016, the charity owed A Durkin £124 (2015: £nil). This amount is interest free and there are no fixed repayment terms.

Laurence Vine Chatterton – Co-opted treasurer

At 31 December 2016, the charity owed L Vine-Chatterton £88 (2015: £nil). This amount is interest free and there are no fixed repayment terms.

JCA Limited – Company in which a trustee has a controlling interest

During the year, sales of £906 (2015: £1,060) were invoiced to this company for services provided by the charity, and expenses of £525 (2015: £nil) were incurred on behalf of the company. At 31 December 2016, the charity was owed £1,080 (2015: £nil) by JCA Limited. This amount is interest free and there are no fixed repayment terms.

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

20 RELATED PARTY TRANSACTIONS (continued)

Ian Keen Limited – Company in which a trustee has a controlling interest

During the year, sales of £1,270 (2015: £171) were invoiced to this company for services provided by the charity. At 31 December 2016, the balance owing to the charity was £nil (2015: £nil).

The Consulting Arborist Society CIC – Company in which a trustee holds a controlling interest

During the year, sales of £650 (2015: £1,192) were invoiced to this company for services provided by the charity. At 31 December 2016, the balance owing to the charity was £nil (2015: £nil).

Wharton Tree and Ecology Consultants Limited – Company in which a trustee holds a controlling interest

During the year, sales of £411 (2015: £239) were invoiced to this company for services provided by the charity. At 31 December 2016, the balance owing to the charity was £nil (2015: £nil).

21 OPERATING LEASE COMMITMENTS

Group and charity

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	10,388	13,820
Later than one year and not later than five years	4,356	16,206
	<u>14,744</u>	<u>30,026</u>

The amount of operating lease payments recognised as an expense during the year was £12,711 (2015 - £11,604)

22 CONTROL

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