

THE ARBORICULTURAL ASSOCIATION

(A company limited by guarantee)

**ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023



Arboricultural
ASSOCIATION

trees.org.uk

Company number: 04070377

Charity number: 1083845

**THE ARBORICULTURAL ASSOCIATION
CONTENTS**

	Pages
CHARITY INFORMATION	1
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)	2 - 8
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ARBORICULTURAL ASSOCIATION	9-11
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)	12-13
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET	14
CONSOLIDATED STATEMENT OF CASHFLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	17 – 30

THE ARBORICULTURAL ASSOCIATION CHARITY INFORMATION

Company registration number

04070377

Charity registration number

1083845

Trustees and Directors

Michelle Ryan - Chair

Neil Davies - Vice Chair

Robert Murison - Treasurer

Sarah Armstrong

Paul Barton

Stella Bolam

Sarah Kiss

Elizabeth Nicholls

Keith Sacre

Professor Alan Simson

Stephen Westmore

Key Management

John Parker - (Chief Executive Officer)

Hanif Bhula - (Finance Manager)

Registered Office

The Malthouse

Stroud Green

Standish

Stonehouse

GL10 3DL

Auditors

Hazlewoods LLP

Staverton Court

Staverton

Cheltenham

GL51 0UX

Bankers

Natwest Bank Plc

27 Market Place

Romsey

SO51 8ZH

Solicitors

Harrison Clark Rickerbys

Wellington Street

Cheltenham

GL50 1YD

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

Contents

1. Reference and administrative details
2. Objectives and activities
3. Achievements and performance
4. Financial review
5. Plans for future periods
6. Structure, governance and management
7. Exemptions from disclosure
8. Funds held as custodian Trustee on behalf of others
9. Statement of Trustees' responsibilities
10. Disclosure of information to the Auditors

1. Reference and administrative details

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

1.2 Company registration number: 04070377

1.3 Charity registration number: 1083845

1.4 The Trustees of the Association (the Association) who served during 2023 were:

Michelle Ryan (Chair)
Paul Barton (Vice Chair until September 2023)
Neil Davies (Vice Chair from September 2023)
Keith Sacre
Professor Alan Simson
Steve Westmore
Stella Bolam
Rob Murison
Sarah Armstrong
Liz Nicholls
Sarah Kiss (from September 2023)
Andrew Longland (until September 2023)
Alastair Durkin (until September 2023)

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

John Parker (CEO)
Hanif Bhula (Finance Manager)

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

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

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

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

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

1.10 The Trustees submit their Annual Report and the audited financial statements of the Association for the year ended December 31st 2023.

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

2. Objectives and activities

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

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

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

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

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

3. Achievements and performance

3.1 The key achievements of the Association in 2023 included:

- Delivered a more successful financial year than budgeted for.
- Continued careful control of expenditure for responsible financial management.
- Gradual repayment of the business interruption loan taken out in 2020.
- Highest ever levels of membership, with over 3,000 paying members for the first time.
- Met our 2% membership growth target.
- Recruited a new team member into membership to improve customer service levels.
- Started work on revitalising the Society for the Environment credentials.
- Started the website upgrade project to create a more stable, functional platform for future web development and improve reliability for customers.
- Commenced a full system review involving all staff, which will allow us to choose appropriate solutions to best meet our customers and staff needs in the future.
- A total of 82 courses delivered to 956 learners.
- Sourced and tested new venues including Mote Park and Calke Abbey.
- Ran a full ISA TRAQ course for the first time since 2019.

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

- Administered the new re-certification for VETcert for candidates that passed in 2019 and 2020, and increased the number of VETcert exams to 56 across the year.
- Supported delivery of 19 Branch events across the UK and Ireland.
- Continued to provide advice and support to Branches as needed.
- Held the first Branching Out event since 2020, which was very successful.
- Held a successful ARB Show at Westonbirt with 6,229 visitors through the gates.
- Held a successful Annual Conference at Warwick with excellent feedback and strong numbers.
- Held successful events including Women in Arb at Kew, morphophysiology at Easthampstead Park and a pest and disease study tour of the Netherlands.
- Expansion of the Wednesday Webinar series on previous years, with record attendance figures and a new sponsorship deal at the end of 2023.
- Significant growth in social media numbers and impact, with over 90,000 social media followers across all networks.
- Received 48,000 video views on YouTube and 583,000 impressions on LinkedIn.
- 1,859,366 website page views.
- Putting a focus on video marketing content helped increase our Facebook reach by an additional 800,000 people compared to 2022.
- 'What is Arboriculture?' video campaign launched to promote the variety of roles in arb. Over 40,000 combined views.
- 60 boxes of resource packs sent out to members attending community events and career days.
- Increased press coverage including Sky News, BBC, ITV and the Guardian, as well as an increase in media requests for national tree news such as Sycamore Gap.
- Increased partner support and collaborative working, such as the Woodland Trust supporting our national tree watering campaign.
- Watering campaign continued to grow, with more than 10,000 tree watering tags issued including 3,500 free tags to community watering groups and projects.
- Developed a network of members and branch ambassadors to attend external local events.
- Launched a new eBook platform to improve access to our publications.
- Expanded the marketing team through the recruitment of a new Marketing Assistant.
- Continued progress with Registered Consultant Scheme, increasing online register numbers and workshops held at Conference.
- Published 'Treetime' by Ted Green.
- Translated 'Roots – A field guide for identification' from Norwegian into English, and translated Association publications into Czech, Ukrainian and Swedish.
- Participated in a wide range of domestic events such as the IRATA Work at Height Seminar at Guildhall in London.
- Represented internationally at events in countries including Ukraine, South Korea, New Zealand, Brazil, Poland, Italy and the United States.
- Participated at the European Arboricultural Council (EAC), European Forum on Urban Forestry, International Society of Arboriculture and World Forum on Urban Forestry events.
- Our Ireland Branch represented Ireland at the EAC for the first time.
- The Association continues to represent its members and the arboricultural sector on a wide range of industry, and external, working groups and projects.
- Standards in the AC Scheme continued to rise with the production of the AC Handbook and AC Standard 2024.
- New AC Assessors continued to develop through their training, increasing our resilience.
- Continued to successfully use the Malthouse Training Room for training and events.
- Lobbying and political activity continued, including through the All Party Parliamentary Group for Horticulture and Gardening and the Ornamental Horticulture Roundtable Group.
- A Succession in Arboriculture working group featuring representation from across the sector was created by the Association.
- A new working group for Arboricultural Education Providers was created by the Association and had its first meeting at the Malthouse, the first time such a group has ever met.
- Other ongoing succession work includes workshops, articles, webinars, school career day visits, prison visits and engagement with several government departments.

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

- Publication sales continued to hold up strongly, with existing titles continuing to be popular and new ones performing well.
- A new Committee structure was introduced by the Board of Trustees to better fit the needs of the Association.
- Changes to the Board of Trustees, with Sarah Kiss elected. Andrew Longland stepped down as Treasurer and as a Trustee, and was replaced by Rob Murison.
- Trustee training for the whole Board was undertaken at the Malthouse.
- A new Trustee Code of Conduct was developed and agreed.

3.2 These activities and achievements helped the Association deliver on its strategic objectives as published in the Strategic Plan 2022-24.

4. Financial review

4.1 The Consolidated Financial Statements for the year are provided in the following pages. Overheads are not reported separately but have been allocated to each of the principal financial activities of the Association on the basis of estimated staff time attributable to each activity. The financial results of the Association are summarised within the Annual Report, a separate document to the Consolidated Financial Statements. The Annual Report acts as a summary document, predominantly aimed at members of the Association, to summarise the key contents of this Trustees' Report and the Consolidated Financial Statements. It is available on the Association's website.

4.2 The key revenue streams of the Association are typically membership subscriptions, Accreditation Scheme membership fees, training, events, publications, advertising and sponsorship. The Association has no financial investments other than its bank deposit account and its shareholding in its trading subsidiary, Arboricultural Association Trading Limited (AATL). Its reserves exist in the form of the Malthouse, which is owned by the Association, and cash balances.

4.3 The Association's Reserves Policy (ratified in August 2023 and updated in January 2024) states that the Association will ensure that it retains sufficient cash reserves in order to be able to continue operating for at least twelve months in adverse trading conditions, such as a major economic downturn or pandemic. The Reserves Policy recommends that the Association should keep a minimum of £220,000 in reserve. The Reserves Policy will be reviewed and ratified annually by Trustees.

4.4 As of December 31st 2023 the Association held £6,097 in restricted income funds (as compared to £6,097 in 2022), £947,094 in unrestricted income funds (as compared to £929,928 in 2022) and £136,674 in unrestricted and unrealised revaluation funds (as compared to £137,261 in 2022).

4.5 The Association's liquid reserves in the form of cash and cash equivalents decreased slightly to £470,464 on December 31st 2023 (as compared to £484,110 on December 31st 2022).

4.6 The Association is registered with the fundraising regulator. The aim of the regulator is to ensure that fundraising is respectful, honest, open and accountable to the public. All fundraising activities are managed by Association staff. Third parties are not encouraged to raise funds on the Association's behalf. The Association understands that fundraising should not be unreasonably persistent, apply undue pressure on people or invade their privacy. No complaints have been received with regard to the Association's fundraising conduct.

4.7 The Association made a donation to research of £5,004 (2022 - £5,000) in 2023 through the Association's Research Grant.

4.8 The Association made a total of £2,000 (2022 - £4,135) in donations and sponsorships in 2023. Payments were made to groups including Perennial, the British Association of Landscape Industries and the Trees and Design Action Group.

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

- 4.9 The Association spent £18,183 (2022 - £11,154) on political expenditure in 2023 through membership of the All-party Parliamentary Group on Horticulture and Gardening (APPGHG) and the Ornamental Horticulture Roundtable Group (OHRG).
- 4.10 There is no uncertainty about the Association as a going concern. Whilst the impact of Covid was significant in 2020, the recovery in 2021 was strong and financial performance expectations in both 2022 and 2023 were exceeded. Cashflow management and budgetary control are key driving forces in the management of the organisation and budgets, cashflow and forecasts are shared with employees and Trustees on a regular basis.
- 4.11 The Association is expecting growth in most areas of operation in 2024, and by the end of quarter one of 2024 all key targets are being met.

5. Plans for future periods

- 5.1 On October 20th 2022 the Board of Trustees formally adopted the Strategic Plan 2022-24. This published document set out the vision of the Association as "*inspiring, supporting and promoting the tree care community for a society that better appreciates and cares for trees.*"
- 5.2 The vision of the Association feeds into three strategic objectives:
- *Inspire*. Including inclusivity and diversity, tree champions, succession and volunteers and staff.
 - *Support*. Including membership, accreditations, resources and training.
 - *Promote*. Including events, engagement, tree care supporters, website and communication channels.
- 5.3 The Strategic Plan 2022-24 can be downloaded from the Association's website, with hard copies available upon request.
- 5.4 Certain external factors beyond the control of the Association can be expected to have an impact on the activities of the organisation, such as a potential resurgence in the Covid pandemic and the escalating cost of living crisis. It is hoped that the impact of another pandemic would be mitigated by the fact that the Association now has considerable experience of online activities such as events, training and meetings. The cost of living crisis could have an impact on membership levels and other activities, and this is being mitigated against through continued diversification of income streams.

6. Structure, governance and management

- 6.1 The Association is governed through its Articles of Association, last updated in 2015 and being reviewed in 2024. The Trustees have overall responsibility for ensuring the Association has appropriate financial and operational controls in place, and are responsible for the strategic direction of the Association. The Trustees are the Directors of the Association and meet approximately four times per year.
- 6.2 The majority of Trustees are elected to the Board by the membership. In addition to this, there are three Co-opted Trustee positions which are filled by elected Trustee vote. Elected Trustees have a three-year term of office and are permitted to hold office for three consecutive terms before a minimum one-year break. The Chair of Trustees is able to defer election for an additional year if mid-way through their term as Chair. Co-opted Trustees stand for one-year terms. The Association offers an induction to new Trustees, and provides appropriate training for Trustees as required.
- 6.3 Operational management is overseen by the Chief Executive Officer (CEO), the pay and remuneration of which is determined by the Board of Trustees and reviewed annually. The CEO reports to the Board of Trustees and attends Board meetings to provide operational and strategic updates. The CEO and Finance Manager also attend meetings of the Finance & Governance Committee.

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

- 6.4 The trading arm of the Association, AATL, predominantly oversees management of the Approved Contractor Scheme. The appointed Directors of AATL are the Association's Chair, Vice Chair, CEO and Finance Manager. Profits generated by AATL are gift aided to the Association as a registered Charity.
- 6.5 In August/September each year the Association holds an Annual General Meeting (AGM) of members. Up until 2020 the AGM formed part of the Annual Amenity Conference, but was moved online during Covid. At the AGM the members receive the accounts of the Association, receive the report of the Board of Directors and appoint the auditor. Result of Trustee elections are announced at the AGM.
- 6.6 The Association has three Committees: the Finance & Governance Committee, the Standards Committee and the Resources Committee. Terms of Reference for these Committees are available on the Association's website. Membership of Committees is exclusively made up of Trustees.
- 6.7 In addition to the Board of Trustees, the Association is aided in the delivery of its charitable objective and strategic vision by a network of volunteers. This includes working parties such as the Arborists' Working Group, Consultants Working Group, Utility Arborists' Group and the Women in Arboriculture Group, and networks of suitably-experienced members to review complaints and Fellowship applications. The Association also has ten regional Branches, coordinated by member volunteers and the Association's staff team.

7. Exemptions from disclosure

- 7.1 The Association claims no exemptions from disclosure.

8. Funds held as custodian Trustee on behalf of others

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

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

9. Statement of Trustees' Responsibilities

- 9.1 The Charity Trustees (of whom the Chair and Vice Chair are also the Directors of the Association and the AATL for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
- 9.2 Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the Trustees are required to:
- Select suitable accounting policies and then apply them consistently;
 - Observe the methods and principles in the Charities SORP;
 - Make judgements and estimates that are reasonable and prudent;
 - State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
 - Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and Group will continue in business.
- 9.3 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.
- 9.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

10. Disclosure of information to the Auditors

- 10.1 In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:
- There is no relevant information, being information needed by the Auditor in connection with preparing their report, of which the group's Auditor is unaware, and
 - The Trustees, having made enquiries of fellow Trustees and the Auditor, have each taken all steps that they are obliged to take as Trustees in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

29/5/2024

Signed by order of the Board of Trustees on

Michelle Ryan

**Michelle Ryan,
Chair Trustee**

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

Opinion

We have audited the financial statements of The Arboricultural Association for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and the parent Charitable Company's affairs as at 31 December 2023, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' Annual Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud.

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

We considered the nature of the charitable company's activity and its control environment and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act, Charities Act, Charities SORP and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits conducted in accordance with ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Felicity Sang
(Senior Statutory Auditor)

.....30/05/2024.....
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 2023**

		Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income					
Income from charitable activities:					
Subscriptions		529,479	-	529,479	499,226
Other charitable activities	5	814,296	-	814,296	559,803
		<u>1,343,775</u>	<u>-</u>	<u>1,343,775</u>	<u>1,059,029</u>
Income from trading activities:					
Consultants and contractors		385,988	-	385,988	401,299
Advertising		33,519	-	33,519	46,857
		<u>419,507</u>	<u>-</u>	<u>419,507</u>	<u>448,156</u>
Income from investments:					
Interest received		6,880	-	6,880	1,149
Total income		<u>1,770,162</u>	<u>-</u>	<u>1,770,162</u>	<u>1,508,334</u>
Expenditure					
Cost of raising funds:					
Fundraising trading		359,597	-	359,597	331,593
Expenditure on charitable activities:					
Charitable activities		1,393,996	-	1,393,996	1,112,220
Total expenditure	6	<u>1,753,593</u>	<u>-</u>	<u>1,753,593</u>	<u>1,443,813</u>
Net income / expenditure		16,569	-	16,569	64,521
Gains on revaluation of fixed assets		-	-	-	137,261
Net movement in funds		16,569	-	16,569	201,782
Total funds brought forward		1,067,189	6,097	1,073,286	871,504
Total funds carried forward		<u>1,083,758</u>	<u>6,097</u>	<u>1,089,855</u>	<u>1,073,286</u>

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

The notes on pages 17-30 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 2022**

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income				
Income from charitable activities:				
Subscriptions	499,226	-	499,226	470,618
Other charitable activities	559,803	-	559,803	519,072
	<u>1,059,029</u>	<u>-</u>	<u>1,059,029</u>	<u>989,690</u>
Income from trading activities:				
Consultants and contractors	401,299	-	401,229	334,262
Advertising	46,857	-	46,857	44,800
	<u>448,156</u>	<u>-</u>	<u>448,156</u>	<u>379,062</u>
Income from investments:				
Interest received	1,149	-	1,149	50
	<u>1,508,334</u>	<u>-</u>	<u>1,508,334</u>	<u>1,368,802</u>
Expenditure				
Cost of raising funds:				
Fundraising trading	331,593	-	331,593	315,775
Expenditure on charitable activities:				
Charitable activities	1,112,220	-	1,112,220	891,370
	<u>1,443,813</u>	<u>-</u>	<u>1,443,813</u>	<u>1,207,145</u>
Net income / expenditure	64,521	-	64,521	161,657
Gains on revaluation of fixed assets	137,261	-	137,261	-
	<u>201,782</u>	<u>-</u>	<u>201,782</u>	<u>161,657</u>
Net movement in funds	201,782	-	201,782	161,657
Total funds brought forward	865,407	6,097	871,504	709,847
	<u>1,067,189</u>	<u>6,097</u>	<u>1,073,286</u>	<u>871,504</u>

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

The notes on pages 17-30 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
Fixed assets					
Intangible assets	11	21,032	44,678	21,032	44,678
Tangible assets	12	835,315	821,672	835,315	821,672
Investments	13	-	-	1	1
		<u>856,347</u>	<u>866,350</u>	<u>856,348</u>	<u>866,351</u>
Current assets					
Stock	14	68,825	42,557	68,825	42,557
Debtors	15	148,666	134,766	211,496	187,053
Cash and cash equivalents		470,464	484,110	357,478	384,042
		<u>687,955</u>	<u>661,433</u>	<u>637,799</u>	<u>613,652</u>
Current liabilities					
Creditors due within one year	16	(391,114)	(351,164)	(345,868)	(308,293)
Net current assets		<u>296,841</u>	<u>310,269</u>	<u>291,931</u>	<u>305,359</u>
Total assets less current liabilities		1,153,188	1,176,619	1,148,279	1,171,710
Non-current liabilities					
Creditors due after one year	16	(63,333)	(103,333)	(63,333)	(103,333)
Net assets		<u>1,089,855</u>	<u>1,073,286</u>	<u>1,084,946</u>	<u>1,068,377</u>
Funds of the group					
Charity restricted income funds	19	6,097	6,097	6,097	6,097
Charity unrestricted income funds	19	942,175	925,019	941,588	925,019
Revaluation reserve	19	136,674	137,261	137,261	137,261
Non-charitable reserves	13	4,909	4,909	-	-
Total funds		<u>1,089,855</u>	<u>1,073,286</u>	<u>1,084,946</u>	<u>1,068,377</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 29/5/2024 and signed on its behalf by:

Michelle Ryan
.....
M Ryan (Chair)

The notes on pages 17-30 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Total funds 2023 £	Total funds 2022 £
Cash flows from operating activities			
Net income and expenditure		16,569	64,521
Finance income		(6,880)	(1,149)
Finance costs		7,811	8,438
Depreciation, amortisation and impairment	11, 12	29,969	35,403
		47,469	107,213
(Increase) in stocks		(26,268)	(11,187)
(Increase) in debtors		(13,900)	(50,900)
Increase in creditors		39,950	35,923
		47,251	81,049
Cash flows from investing activities			
Interest received		6,880	1,149
Purchase of tangible fixed assets		(19,966)	(20,823)
		(13,086)	(19,674)
Cash flows from financing activities			
Interest paid		(7,811)	(8,438)
Repayment of borrowings		(40,000)	(40,000)
		(47,811)	(48,438)
Change in cash and cash equivalents in the year		(13,646)	12,937
Cash and cash equivalents at 1 January		484,110	471,173
Cash and cash equivalents at 31 December		470,464	484,110

See Note 23 for Analysis of Changes in Net Cash

The notes on pages 17-30 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

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

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP (FRS 102) (effective 1 January 2019), and the Companies Act 2006.

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

Basis of preparation

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

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

Basis of Consolidation

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

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

Going concern

After reviewing the Charity's forecasts and projections, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

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

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

Judgements

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgement had a significant effect on the amounts recognised in the financial statements:

Revaluation of freehold property

The Group has opted to account for its freehold property at fair value, which was determined by independent qualified valuers using evidence from observed prices in market transactions for similar properties in similar locations.

Useful economic life

The Group has determined that the useful economic life of its freehold property following revaluation is 100 years.

Key sources of estimation uncertainty

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

Income

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

Grants receivable

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

Expenditure

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 ACCOUNTING POLICIES (continued)

Grants payable

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

Intangible fixed assets

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

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

Tangible fixed assets

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

Freehold property	100 years straight line
Computer equipment	15 - 25% of net book value
Fixtures and fittings	20% straight line

Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Investments

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

Trade and other debtors

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

Stock

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade and other creditors

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 ACCOUNTING POLICIES (continued)

Borrowings

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

Funds accounting

Unrestricted funds are those funds which the Trustees are free to use in accordance with charitable objects. Restricted funds are funds which are given for particular purposes specified by their donors. Non-charitable reserves are funds held by Arboricultural Association Trading Limited, a non-charitable company.

Leases

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

Pensions

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

Financial Instruments

Classification

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

Recognition and measurement

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

Impairment

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

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 ACCOUNTING POLICIES (continued)

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

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

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

3 LEGAL STATUS OF THE CHARITY

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

4 FINANCIAL PERFORMANCE OF THE CHARITY

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

As permitted by section 408 Companies Act 2006, the parent charitable company's statement of financial activities has not been included in these financial statements. Its surplus for the financial year was £26,391 (2022 – surplus of £69,706).

5 OTHER CHARITABLE ACTIVITIES

	2023	2022
	£	£
Publications	173,336	154,174
Conference	306,198	120,805
Workshops and seminars	218,683	212,794
Other income	116,079	72,030
	<hr/>	<hr/>
	814,296	559,803
	<hr/> <hr/>	<hr/> <hr/>

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6 TOTAL EXPENDITURE	Direct costs	Staff costs	Support costs*	Total 2023	Total 2022
	£	£	£	£	£
Costs of raising funds					
Consultants and contractors	169,799	137,979	51,819	359,597	331,593
Expenditure on charitable activities					
Subscriptions	5,826	64,796	24,334	94,956	97,888
Publications	70,590	42,338	15,900	128,828	142,538
Conference	107,142	63,596	23,884	194,622	133,285
Workshops and seminars	79,780	94,679	35,557	210,016	196,222
Trade fair	143,549	41,391	15,545	200,485	66,401
Advertising and publicity	-	10,744	4,035	14,779	10,077
Promotion	52,325	45,349	17,031	114,705	85,974
Technical support	14,467	46,826	17,586	78,879	67,238
Meeting costs	20,798	14,560	5,468	40,826	35,436
Grant making	32,662	-	-	32,662	20,905
Newsletter / journal	53,751	21,270	7,988	83,009	83,735
Branch expenditure	-	13,427	5,043	18,470	13,282
Political expenditure	12,688	3,995	1,500	18,183	11,154
Audit fees	14,012	-	-	14,012	10,150
Finance and accounts	-	89,230	33,511	122,741	104,353
Committees and governance	-	15,974	5,999	21,973	25,465
Legal and professional fees	4,850	-	-	4,850	8,117
	<u>612,440</u>	<u>568,175</u>	<u>213,381</u>	<u>1,393,996</u>	<u>1,112,220</u>
Total 2023	<u>782,239</u>	<u>706,154</u>	<u>265,200</u>	<u>1,753,593</u>	<u>1,443,813</u>
Total 2022	<u>636,636</u>	<u>567,669</u>	<u>239,508</u>	<u>1,443,813</u>	

* Support costs of £265,200 (2022 - £239,508) include:

	2023	2022
	£	£
Depreciation / amortisation	29,969	35,403
Premises costs	22,162	18,812
Vehicle expenses	-	-
Other staff costs	23,671	18,705
Office running costs	155,215	135,411
Finance costs	28,973	25,950
Subscriptions and representation	<u>5,210</u>	<u>5,227</u>

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 TRANSACTIONS WITH TRUSTEES

No Trustee received any remuneration from the Association during the year (2022 - £nil).

Travel expenses totalling £2,568 (2022 - £3,481) were reimbursed to 1 (2022 - 8) Trustees during the year. At the year end £nil (2022 – £nil) was outstanding and owed to Trustees.

8 STAFF COSTS

	2023	2022
	£	£
Salaries and wages	599,002	483,302
Social security	53,819	47,441
Pension contributions	34,826	29,121
	<hr/>	<hr/>
	687,647	559,864
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the Charity are the Trustees, the Chief Executive Officer, The Technical Director and the Finance Manager. The total employee benefits of the key management personnel were £189,508 (2022 - £167,246).

One employee received employee benefits in excess of £60,000 during the year (2022 – one).

9 STAFF NUMBERS

The average monthly head count was 18 staff (2022 – 15 staff).

10 TAXATION

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11 INTANGIBLE FIXED ASSETS

Group and Charity

	Trademark £	Intellectual Property £	Software £	Total £
Cost				
At 1 January 2023 and at 31 December 2023	3,112	11,678	189,167	203,957
Depreciation				
At 1 January 2023	-	10,678	148,601	159,279
Charge for the year	-	-	23,646	23,646
At 31 December 2023	-	10,678	172,247	182,925
Net book value				
At 31 December 2023	3,112	1,000	16,920	21,032
At 31 December 2022	3,112	1,000	40,566	44,678

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12 TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost or revaluation				
At 1 January 2023	815,000	13,466	13,882	842,348
Additions	13,580	2,308	4,078	19,966
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	828,580	15,774	17,960	862,314
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2023	-	8,275	12,401	20,676
Charge for the year	3,286	2,519	518	6,323
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	3,286	10,794	12,919	26,999
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2023	825,294	4,980	5,041	835,315
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	815,000	5,191	1,481	821,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The property valuations were made by Ash & Co (RICS) as at 20th December 2022, on an open market value for existing use basis.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13 INVESTMENTS

Company

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

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

The activities and results of Arboricultural Association Trading Limited were:

	2023	2022
	£	£
Turnover	385,988	401,299
Cost of sales	(169,799)	(177,174)
Administrative expenses	(189,798)	(154,419)
	<u>26,391</u>	<u>69,706</u>

A Gift Aid Donation of £26,391 has been paid in respect of the 2023 profit post year end Gift Aid donations are recognised as distributions and presented in the Statement of Changes in Equity.

At 31 December 2023, Arboricultural Association Trading Limited had the following assets and liabilities:

	2023	2022
	£	£
Debtors	13,506	26,171
Cash at bank and in hand	112,986	100,068
Creditors: Amounts due within one year	(121,582)	(121,329)
	<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>

14 STOCKS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Publications and other items for resale	68,825	42,557	68,825	42,557
	<u>68,825</u>	<u>42,557</u>	<u>68,825</u>	<u>42,557</u>

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15 DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	72,409	74,077	54,673	47,906
Other debtors and prepayments	76,257	60,689	76,257	60,689
Amounts owed from subsidiary	-	-	80,566	78,458
	<u>148,666</u>	<u>134,766</u>	<u>211,496</u>	<u>187,053</u>

16 CREDITORS

Creditors due within one year		Group		Charity	
	Note	2023	2022	2023	2022
		£	£	£	£
Bank loan	17	40,000	40,000	40,000	40,000
Trade creditors		130,046	96,691	104,487	75,116
Social security and other taxes		32,961	19,224	32,961	19,224
Other creditors and accruals		36,900	68,209	33,929	65,238
Deferred income		151,207	127,040	134,491	108,715
		<u>391,114</u>	<u>351,164</u>	<u>345,868</u>	<u>308,293</u>

Creditors due after one year		Group		Charity	
	Note	2023	2022	2023	2022
		£	£	£	£
Bank loan	17	63,333	103,333	63,333	103,333
		<u>63,333</u>	<u>103,333</u>	<u>63,333</u>	<u>103,333</u>

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

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at 1 January	127,040	157,560	108,715	143,935
Amount released in year	(127,040)	(157,560)	(108,715)	(143,935)
Amount deferred in year	151,207	127,040	134,491	108,715
	<u>151,207</u>	<u>127,040</u>	<u>134,491</u>	<u>108,715</u>
Balance at 31 December	151,207	127,040	134,491	108,715

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17 LOANS AND BORROWINGS

Creditors due within one year	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loan	40,000	40,000	40,000	40,000

Creditors due after one year	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loan	63,333	103,333	63,333	103,333

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

18 DEFINED CONTRIBUTION PENSION SCHEME

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £34,826 (2022 - £29,121). Contributions totalling £4,683 (2022 - £3,537) were payable to the scheme at the end of the year and are included in creditors.

19 ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

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

During the year, income of £1,770,162 (2022 - £1,508,334) was generated, and expenditure of £1,753,593 (2022 - £1,443,813) was incurred. As at 31 December 2023 the unrestricted fund balance amounted to £947,094 (2022 - £929,928) and includes non-charitable funds of £4,909 (2022 - £4,909).

Also included within unrestricted funds is the revaluation gain on the property amounting to £136,674 (2022 - £137,261).

Restricted funds

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

During the year, income totalled £nil (2022 - £nil), and grants of £nil (2022 - £nil) were awarded. As at 31 December 2023 the restricted fund balance amounted to £6,097 (2022 - £6,097).

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19 ANALYSIS OF ASSETS BETWEEN FUNDS

2023	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	21,032	-	21,032
Tangible fixed assets	835,315	-	835,315
Current assets	681,858	6,097	687,955
Current liabilities	(391,114)	-	(391,114)
Non-current liabilities	(63,333)	-	(63,333)
	<u>1,083,758</u>	<u>6,097</u>	<u>1,089,855</u>
	<u><u>1,083,758</u></u>	<u><u>6,097</u></u>	<u><u>1,089,855</u></u>
2022	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	44,678	-	44,678
Tangible fixed assets	821,672	-	821,672
Current assets	655,336	6,097	661,433
Current liabilities	(351,164)	-	(351,164)
Non-current liabilities	(103,333)	-	(103,333)
	<u>1,067,189</u>	<u>6,097</u>	<u>1,073,286</u>
	<u><u>1,067,189</u></u>	<u><u>6,097</u></u>	<u><u>1,073,286</u></u>

20 OPERATING LEASE COMMITMENTS

Group and Charity

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	244	978
Later than one year and not later than five years	-	244
	<u>244</u>	<u>1,222</u>
	<u><u>244</u></u>	<u><u>1,222</u></u>

The amount of operating lease payments recognised as an expense during the year was £978 (2022 - £978).

The total of future minimum lease receivable is as follows:

	2023	2022
	£	£
Not later than one year		
Later than one year and not later than five years	12,337	19,098
	<u>12,337</u>	<u>19,098</u>
	<u><u>12,337</u></u>	<u><u>19,098</u></u>

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21 RELATED PARTY TRANSACTIONS

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

Other related party transactions

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

22 CONTROL

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

23 ANALYSIS OF CHANGES IN NET CASH

	At 1 January 2023	Cash flows	Other non cash changes	At 31 December 2023
	£	£	£	£
Analysis of changes in net debt				
Cash and cash equivalents				
Cash	484,110	(13,646)	-	470,464
Borrowings				
Due withing 1 year	(40,000)	40,000	(40,000)	(40,000)
Due after 1 year	(103,333)	-	40,000	(63,333)
	(143,333)	40,000	-	(103,333)
Total net cash	340,777	26,354	-	367,131