

THE ARBORICULTURAL ASSOCIATION

(A company limited by guarantee)

**ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2017



COLLECTIVE MARK

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

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 - 7
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ARBORICULTURAL ASSOCIATION	8 - 10
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)	11 - 12
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET	13
CONSOLIDATED STATEMENT OF CASHFLOWS	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 27

**THE ARBORICULTURAL ASSOCIATION
CHARITY INFORMATION**

Company registration number
04070377

Charity registration number
1083845

Trustees and Directors

Keith Sacre – Chairman
Jaime Bray – Vice - Chairman
Laurence Vine Chatterton – Co Opted Treasurer
Jonathan Cocking
Ged Collins
Alastair Durkin
Simon Holmes
Robin Jackson
Ian Murat
Mike Sankus
Navin Sehmi

Key Management

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

Registered Office

The Malthouse
Stroud Green
Standish
Stonehouse
GL10 3DL

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Bankers

Natwest Bank Plc
27 Market Place
Romsey
SO51 8ZH

Solicitors

Willans LLP
28 Imperial Square
Cheltenham
GL50 1RH

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

The Trustees submit their annual report and the audited financial statements of the Arboricultural Association for the year ended 31 December 2017.

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:

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	
Simon Holmes	Trustee	
Robin Jackson	Co-opt Trustee	
Ian Murat	Trustee	
Mike Sankus	Trustee	
Navin Sehmi	Trustee	

Structure, Governance and Management

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

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

During 2017 the Trustees met 5 times (2016 – 5 times) on 17th February, 13th April, 13th July, 11th September (AGM) and 5th December.

**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. 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

Throughout 2017 the Business Review Group (BRG) met on a regular basis to oversee financial and operational performance and to support the Chief Executive Officer. The BRG is made up of the Chairman, Vice Chairman, Immediate Past Chairman and Treasurer. The BRG continues to meet during 2018.

At the AGM held on 11th September 2017 the members:

- Received the accounts of the Association for the preceding financial year to 31st December 2016;
- Received the report of the Board of Directors, September 2016 to September 2017;
- Selected members to be Trustees to fill the arising vacancies; and
- Appointed Hazlewoods LLP to be the auditors for the Association for the forthcoming year.

There were no EGM's called during the year 1st January 2017 to 31st December 2017.

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

In addition to the Committees, there are a number of Working Groups; currently there are 3 namely; 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 are regularly reviewed and updated with any changes agreed with the Trustees to ensure their remit and focus is aligned to the changing needs of the Association and any revisions to governance, the AA's Strategy and Business Plan.

Branches: There are 10 national branches.

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

Business Plan and Budget (Forecast)

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

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

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

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

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

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

The Directors of 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:

- E J Quaife
- J Bray

Objectives and Activities

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

Public Benefit

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

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

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

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

Achievements and Performance

The main activities of the Association in 2017 included:

- Revenue growth against pre-agreed financial targets, including the delivery of an above budget surplus.
- Growth of paid membership numbers by 8%;
- Marketing resource significantly strengthened with the emphasis moved to digital marketing and wider use of social media;
- Increased political engagement via the Association's membership and active participation within the "All Party Parliamentary Group on Horticulture and Gardening" (APPGHG) and the Ornamental Horticultural Roundtable Group (OHRG);
- Planning and delivery of a "biosecurity" themed parliamentary event in June 2017;
- Delivery of a "Branching Out" event in March 2017, well attended by branches;
- Delivery of the 2017 ARB Show at Westonbirt – the largest Arboricultural trade show in the UK; with a record attendance through greater public engagement;
- Significant growth of educational, training and certification activity;
- Delivery of the Amenity Conference in September at Exeter University, with a record attendance and the opening video address provided by HRH Prince Charles;
- Maintenance of Approved Contractor and Registered Consultant Schemes;
- The ongoing integration and use of the CRM system and website investment;
- Growth of new partnerships and networks to raise the profile of Arboriculture and public awareness of the Industry.

AA Research Grant

£3,000 donations were made to research in 2017 (2016 - £4,000).

Financial Review

During the year the Association's Business Review Group (BRG) met approximately every 8 weeks to provide support to the CEO with the Association's finance and operations.

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

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

The Association generated an above budget surplus in 2017 thus ensuring it had sufficient reserves at the end of the year to repay its debt and increase its cash reserves.

Principal Operational Risks

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

- Staffing
 - During 2017 significant staffing change occurred with 5 members of staff leaving the Association.
 - These changes gave opportunity to review and change the operational structure of HQ with new job function and roles being described; this resulted in new skill sets being recruited to meet future needs.
 - These operational changes have resulted in significant efficiency and output improvements within HQ functions.
 - We increased our Technical Officer provision through an additional Part time (0.4 FTE) position.

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

- CRM System
 - As previously reported, the implementation and operational delivery of the new CRM system during 2016 was unsatisfactory with various project elements being delivered significantly behind the agreed time schedule.
 - Performance during 2017 has improved, primarily as a result of the staff gaining experience of using the system along with some robust questioning and challenging of our supplier partner.
 - We continue to gain experience of using the system – the investment is undoubtedly now delivering efficiency benefit, albeit more slowly and later than originally anticipated.
 - We anticipate further efficiency benefits in the future.

- Broadband Connectivity
 - The lack of high speed Broadband connectivity, given the rural location of the HQ building, has severely impacted upon the efficiency of ongoing operations.
 - Through a programme of "engagement" with local politicians (including the local MP) and local service providers we finally negotiated provision of a dedicated high-speed broadband connection to the HQ for the sum of less than £18,000 (original quotation was over £36,000).
 - Work was commissioned in August 2017 and after several major delays we are pleased to report that connection finally went live in July 2018.
 - This provision will enable HQ to start utilising its CRM system and accompanying software provision more efficiently. It will allow the Association to host and provide a range of digital outputs in the future.

Funding Sources

The key revenue streams of the Association are:

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

Reserves

The Charity had the following reserves at 31 December 2017:

Restricted income funds	£6,086	(2016 - £6,086)
Unrestricted income funds	£703,264	(2016 - £656,608)

The Association has a reserves policy which was updated in 2017 and was set to:

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

The Association had sufficient liquid reserves, in the form of cash and cash equivalents, at 31st December 2017 of £384,255 (2016 - £211,279).

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 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 as widely published.

A copy of the Strategic Plan 2018-2020 can be found on our website www.trees.org.uk in the "about us - policy and reports" area.

Statement of Trustees' Responsibilities

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

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

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

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

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

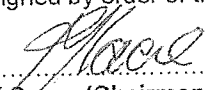
Disclosure of information to the Auditors

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

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

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

Signed by order of the Board of Trustees on 7.18.18.....


.....
K. Sacre (Chairman)
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 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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 2017, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

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.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

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

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

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

Responsibilities of Trustees

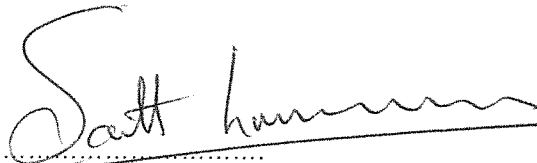
As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



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

.....
7 August 2018
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 2017

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

The statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 15-27 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 2017**

	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	163	196
		<u>157</u>	<u>6</u>	<u>163</u>	<u>196</u>
TOTAL INCOME		<u>1,223,977</u>	<u>6</u>	<u>1,223,983</u>	<u>1,189,554</u>
EXPENDITURE					
Cost of raising funds:					
Fundraising trading		249,927	-	249,927	241,401
		<u>249,927</u>	<u>-</u>	<u>249,927</u>	<u>241,401</u>
Expenditure on charitable activities:					
Charitable activities – normal		955,315	-	955,315	931,209
		<u>955,315</u>	<u>-</u>	<u>955,315</u>	<u>931,209</u>
TOTAL EXPENDITURE	6	<u>1,205,242</u>	<u>-</u>	<u>1,205,242</u>	<u>1,172,610</u>
NET MOVEMENT IN FUNDS		18,735	6	18,741	16,944
Total funds brought forward		637,873	6,080	643,953	627,009
		<u>637,873</u>	<u>6,080</u>	<u>643,953</u>	<u>627,009</u>
TOTAL FUNDS CARRIED FORWARD		<u>656,608</u>	<u>6,086</u>	<u>662,694</u>	<u>643,953</u>


The statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 15-27 form part of these financial statements.

THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
Fixed assets					
Intangible assets	11	4,112	4,112	4,112	4,112
Tangible assets	12	834,854	858,266	834,854	858,266
Investments	13	-	-	1	1
		<u>838,966</u>	<u>862,378</u>	<u>838,967</u>	<u>862,379</u>
Current assets					
Stock	14	18,121	14,050	18,121	14,050
Debtors	15	112,726	98,497	169,465	93,908
Cash and cash equivalents		384,255	211,279	293,686	122,566
		<u>515,102</u>	<u>323,826</u>	<u>481,272</u>	<u>230,524</u>
Current liabilities					
Creditors due within one year	16	(538,451)	(378,403)	(509,531)	(290,011)
		<u>(23,349)</u>	<u>(54,577)</u>	<u>(28,259)</u>	<u>(59,487)</u>
Net current liabilities					
Total assets less current liabilities		815,617	807,801	810,708	802,892
Non-current liabilities					
Creditors due after one year	17	(106,267)	(145,107)	(106,267)	(145,107)
		<u>709,350</u>	<u>662,694</u>	<u>704,441</u>	<u>657,785</u>
Net assets					
Funds of the group					
Charity restricted income funds	18	6,086	6,086	6,086	6,086
Charity unrestricted income funds	18	698,355	651,699	698,355	651,699
Non-charitable reserves	13	4,909	4,909	-	-
		<u>709,350</u>	<u>662,694</u>	<u>704,441</u>	<u>657,785</u>
Total funds					

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 7.18.18.....
and signed on its behalf by:


K. Sacre (Chairman)

The notes on pages 15-27 form part of these financial statements.

THE ARBORICULTURAL ASSOCIATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Total funds 2017 £	Total funds 2016 £
Cash flows from operating activities			
Net movement in funds		46,656	18,741
Finance income		(90)	(163)
Finance costs		11,843	9,549
Depreciation	12	33,181	32,696
		<u>91,590</u>	<u>60,823</u>
Increase in stocks		(4,071)	(7,050)
Increase in debtors		(14,229)	(54,583)
Increase in creditors		160,048	51,466
Net cash provided by operating activities		<u>233,338</u>	<u>50,656</u>
Cash flows from investing activities			
Interest received		90	163
Purchase of tangible fixed assets	12	(9,769)	-
Purchase of intangible fixed asset	11	-	(3,112)
Net cash used in investing activities		<u>(9,679)</u>	<u>(2,949)</u>
Cash flows from financing activities			
Interest paid		(11,843)	(9,549)
Repayment of borrowings		(38,840)	(30,945)
Net cash used in financing activities		<u>(50,683)</u>	<u>(40,494)</u>
Change in cash and cash equivalents in the year		172,976	7,213
Cash and cash equivalents at 1 January		211,279	204,066
Cash and cash equivalents at 31 December		<u>384,255</u>	<u>211,279</u>

The notes on pages 15-27 form part of these financial statements.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 GENERAL INFORMATION

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

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

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

Basis of preparation

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

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

Basis of Consolidation

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

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

Going concern

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

2 ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

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

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

Judgements

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

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by the Trustees in preparing these financial statements other than those detailed in these accounting policies.

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.

Expenditure

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

Grants payable

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

Intangible fixed assets

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 ACCOUNTING POLICIES (continued)

Tangible fixed assets

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

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

Investments

Investments in equity shares which are 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.

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.

2 ACCOUNTING POLICIES (continued)

Funds accounting

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

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

Leases

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

Pensions

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

Financial Instruments

Classification

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

Recognition and measurement

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

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2 ACCOUNTING POLICIES (continued)

Impairment

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

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

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

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

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

3 LEGAL STATUS OF THE CHARITY

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

4 FINANCIAL PERFORMANCE OF THE CHARITY

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

As permitted by section 408 Companies Act 2006, the parent charitable company's statement of financial activities has not been included in these financial statements. Its surplus for the financial year was £46,656 (2016 - £18,741).

5 OTHER CHARITABLE ACTIVITIES

	2017 £	2016 £
Publications	98,532	81,626
Conference	150,771	108,170
Workshops and seminars	220,168	188,040
Trade fair	115,329	87,342
Sponsorship	16,500	25,527
Other income	90,606	91,904
	<hr/>	<hr/>
	691,906	582,609
	<hr/>	<hr/>

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

6 TOTAL EXPENDITURE

	Direct costs £	Staff costs £	Support costs* £	Total 2017 £	Total 2016 £
Costs of raising funds					
Consultants and contractors	130,923	85,804	49,666	266,393	249,927
Expenditure on charitable activities					
Subscriptions	17,466	48,020	11,589	77,075	67,575
Publications	49,905	18,576	9,933	78,414	58,235
Conference	92,571	41,461	24,833	158,865	137,523
Workshops and seminars	114,453	69,326	41,389	225,168	208,623
Trade fair	67,304	41,461	28,144	136,909	128,768
Advertising & publicity	-	9,604	3,311	12,915	12,298
Promotion	16,236	46,441	28,144	90,821	88,148
Technical support	21,075	31,580	18,211	70,866	95,032
Meeting costs	44,927	18,576	11,589	75,092	67,319
Grant making	7,236	37	166	7,439	3,259
Newsletter / journal	58,797	21,293	9,933	90,023	76,751
Audit fees	9,350	-	-	9,350	8,000
Legal and professional fees	2,986	-	-	2,986	3,784
	502,306	346,375	187,242	1,035,923	955,315
Total 2017	633,229	432,179	236,908	1,302,316	1,205,242
Total 2016	563,205	403,157	238,880	1,205,242	

* Support costs of £236,908 (2016 - £238,880) include:

	2017 £	2016 £
Depreciation	33,181	33,371
Premises costs	18,465	15,922
Vehicle expenses	24,384	23,605
Office running costs	158,477	111,419
Subscriptions and representation	2,401	1,764

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

7 TRANSACTIONS WITH TRUSTEES

No Trustee received any remuneration from the Association during the year (2016 - £nil).

Travel expenses totalling £11,134 (2016 - £11,988) were reimbursed to nine (2016 - ten) Trustees during the year. At the year end £148 (2016 - £212) was outstanding and owed to Trustees.

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8 STAFF COSTS

	2017 £	2016 £
Salaries and wages	366,218	332,390
Social security	40,816	35,703
Pension contributions	23,924	23,598
	<u>430,958</u>	<u>391,691</u>

The key management personnel of the Charity are the Trustees, the Chief Executive Officer, The Senior Technical Officer and the Finance Manager. The total employee benefits of the key management personnel were £168,429 (2016 - £140,847). During 2016 the Charity had no CEO in place for three months (July – September).

One employee received employee benefits in excess of £60,000 during the year (2016 – one).

9 STAFF NUMBERS

The average monthly head count was 12 staff (2016 - 11 staff). The average number of full-time equivalent employees during the year was:

	2017 No.	2016 No.
Management	1	1
Technical	3	3
Administration	8	7
	<u>12</u>	<u>11</u>

10 TAXATION

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

11 INTANGIBLE FIXED ASSETS

Group and charity

	Trademark £	Intellectual Property £	Total £
Cost and net book value			
At 1 January 2017	3,112	1,000	4,112
Addition	-	-	-
Disposal	-	-	-
	<u>3,112</u>	<u>1,000</u>	<u>4,112</u>
At 31 December 2017	<u>3,112</u>	<u>1,000</u>	<u>4,112</u>

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

12 TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
At 1 January 2017	737,188	166,387	36,556	940,131
Additions	-	4,173	5,596	9,769
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	737,188	170,560	42,152	949,900
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2017	34,882	35,491	11,492	81,865
Charge for the year	7,371	19,321	6,489	33,181
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	42,253	54,812	17,981	115,046
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2017	694,935	115,748	24,171	834,854
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	702,306	130,896	25,064	858,266
	<hr/>	<hr/>	<hr/>	<hr/>

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

**THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 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:

	2017 £	2016 £
Turnover	281,101	288,088
Cost of sales	(126,835)	(115,150)
Administrative expenses	(152,808)	(140,370)
Donation to The Arboricultural Association	(1,458)	(32,568)
	<u> </u>	<u> </u>
Retained profit for year	-	-
	<u> </u>	<u> </u>

At 31 December 2017, Arboricultural Association Trading Limited had the following assets and liabilities:

	2017 £	2016 £
Debtors	2,273	11,810
Cash at bank and in hand	90,569	88,713
Creditors: Amounts due within one year	(87,932)	(95,613)
	<u> </u>	<u> </u>
	4,910	4,910
	<u> </u>	<u> </u>
Share capital	1	1
Reserves	4,909	4,909
	<u> </u>	<u> </u>
	4,910	4,910
	<u> </u>	<u> </u>

14 STOCKS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Publications and other items for resale	18,121	14,050	18,121	14,050
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

15 DEBTORS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	60,756	62,271	58,483	50,461
Other debtors and prepayments	51,970	36,226	51,970	36,226
Amounts owed from subsidiary	-	-	59,012	7,221
	<u>112,726</u>	<u>98,497</u>	<u>169,465</u>	<u>93,908</u>

16 CREDITORS DUE WITHIN ONE YEAR

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank loans	31,100	30,945	31,100	30,945
Trade creditors	105,999	65,784	91,798	51,130
Social security and other taxes	14,369	28,090	14,369	28,090
Other creditors and accruals	209,269	54,371	207,769	51,870
Deferred income	177,714	199,213	164,495	127,976
	<u>538,451</u>	<u>378,403</u>	<u>509,531</u>	<u>290,011</u>

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, 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	
	2017 £	2016 £	2017 £	2016 £
Balance at 1 January	199,213	135,047	127,976	46,896
Amount released in year	(199,213)	(135,047)	(127,976)	(46,896)
Amount deferred in year	177,714	199,213	164,495	127,976
	<u>177,714</u>	<u>199,213</u>	<u>164,495</u>	<u>127,976</u>

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

17 CREDITORS DUE AFTER ONE YEAR

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank loans (due between 2 and 5 years)	106,267	123,779	106,267	123,779
Bank loans (due after 5 years)	-	10,464	-	10,464
Other creditors	-	10,864	-	10,864
	<u>106,267</u>	<u>145,107</u>	<u>106,267</u>	<u>145,107</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.

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 £1,348,972 (2016 - £1,223,977) was generated, and expenditure of £1,302,316 (2016 - £1,205,242) was incurred. At 31 December 2017 the unrestricted fund balance amounted to £703,264 (2016 - £656,608).

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 (2016 - £Nil), and grants of £nil (2016 - £nil) were awarded. At 31 December 2017 the restricted fund balance amounted to £6,086 (2016 - £6,086).

THE ARBORICULTURAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

19 ANALYSIS OF ASSETS BETWEEN FUNDS

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

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:

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

During the year, sales of £nil (2016: £650) were invoiced to this company for services provided by the Charity. At 31 December 2017, the balance owing to the Charity was £nil (2016: £nil).

THE ARBORICULTURAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21 OPERATING LEASE COMMITMENTS

Group and charity

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	15,123	10,388
Later than one year and not later than five years	10,764	4,356
	<u>25,887</u>	<u>14,744</u>

The amount of operating lease payments recognised as an expense during the year was £14,486 (2016 - £12,711).

The total of future minimum lease receivable is as follows:

	2017 £	2016 £
Not later than one year	10,167	17,429
Later than one year and not later than five years	-	10,167
	<u>10,167</u>	<u>27,596</u>

23 CAPITAL COMMITMENTS

At 31 December 2017 the Charity had a capital commitment of £12,682 (2016: £nil).

22 CONTROL

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

