

Registration number: 05180170

ARBORICULTURAL ASSOCIATION TRADING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ARBORICULTURAL ASSOCIATION TRADING LIMITED

CONTENTS

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 13

ARBORICULTURAL ASSOCIATION TRADING LIMITED

COMPANY INFORMATION

Chairman	J Bray
Vice Chair	M Ryan
Directors	J Bray M Ryan I R Murat A Durkin J Long K J Sacre M A Sankus N S Sehmi A Simson L Vine-Chatterton (Co-opted Treasurer)
Registered office	The Malthouse Stroud Green Standish Stonehouse GL10 3DL
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

ARBORICULTURAL ASSOCIATION TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

J Bray - Chairman

M Ryan - Vice Chair (from September 2019)

I R Murat - Vice Chair (to September 2019)

A Durkin

S P Holmes (resigned 9 September 2019)

J Long

K J Sacre

M A Sankus

N S Sehmi

A Simson (appointed 9 September 2019)

L Vine-Chatterton (Co-opted Treasurer)

Principal activity

The principal activity of the company is the assessment of Registered Consultants and Approved Contractors for inclusion into The Arboricultural Association's Directories.

Charitable donations

During the year the company made donations of £65,475 (2018 - £29,319). All donations were made to The Arboricultural Association.

Going concern

In accordance with the Financial Reporting Council's 'Going Concern & Liquidity Risk Guidance for Directors of UK Companies 2009,' the directors of all companies are required to provide disclosures regarding the going concern basis of accounting.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Disclosure of information to the auditors

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

Small companies provision statement

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

Approved by the Board on and signed on its behalf by:

.....
J Bray
Chairman

ARBORICULTURAL ASSOCIATION TRADING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ARBORICULTURAL ASSOCIATION TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARBORICULTURAL ASSOCIATION TRADING LIMITED

Opinion

We have audited the financial statements of Arboricultural Association Trading Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and 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 FRS 102 Section 1A '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 company's affairs as at 31 December 2019 and of its profit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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, including emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we draw your attention to note 2 to the financial statements and the disclosures made in the going concern accounting policy which describes an uncertainty relating to the going concern of the company. The company is dependent on the renewal of memberships of its immediate parent The Arboricultural Association and on demand from those members for its services which are inherently uncertain and difficult to predict as the UK eases lockdown and enters the inevitable post lockdown recession. The financial statements do not include any adjustments that would result if the financial statements were not prepared on a going concern basis.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARBORICULTURAL ASSOCIATION TRADING LIMITED

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

Matters on which we are required to report by exception

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

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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors 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 directors 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 directors 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARBORICULTURAL ASSOCIATION TRADING LIMITED

Use of our report

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.

.....
Scott Lawrence FCA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date:.....

ARBORICULTURAL ASSOCIATION TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Turnover	318,825	292,109
Cost of sales	<u>(138,905)</u>	<u>(101,612)</u>
Gross profit	179,920	190,497
Administrative expenses	<u>(114,445)</u>	<u>(190,497)</u>
Profit before tax	65,475	-
Taxation	<u>-</u>	<u>-</u>
Profit for the financial year	<u><u>65,475</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 10 to 13 form an integral part of these financial statements.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

**(REGISTRATION NUMBER: 05180170)
BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Current assets			
Debtors	5	13,138	13,776
Cash at bank and in hand		<u>73,905</u>	<u>83,061</u>
		87,043	96,837
Creditors: Amounts falling due within one year	6	<u>(82,133)</u>	<u>(91,927)</u>
Net assets		<u>4,910</u>	<u>4,910</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		<u>4,909</u>	<u>4,909</u>
Total equity		<u>4,910</u>	<u>4,910</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on and signed on its behalf by:

.....
J Bray
Chairman

The notes on pages 10 to 13 form an integral part of these financial statements.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 January 2017 and 31 December 2018	<u>1</u>	<u>4,909</u>	<u>4,910</u>
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 January 2019	1	4,909	4,910
Profit for the year	-	65,475	65,475
Gift Aid Donations	-	(65,475)	(65,475)
	<u>1</u>	<u>4,909</u>	<u>4,910</u>
At 31 December 2019	<u>1</u>	<u>4,909</u>	<u>4,910</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

The Malthouse
Stroud Green
Standish
Stonehouse
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' and has taken advantage of the small company exemptions available in Section 1A of FRS 102 to produce reduced disclosure accounts.

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 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.

Name of parent of group

These financial statements are consolidated in the financial statements of The Arboricultural Association.

The financial statements of The Arboricultural Association may be obtained from the charity's registered office.

Going concern

The Covid-19 pandemic has had a significant impact on the Company. In assessing the going concern status of the Company, the directors have given consideration to the position of the Company together with its Parent Charitable Company, The Arboricultural Association. The directors have considered the cash on hand and available position of the Group at the date of approving the financial statements, prepared detailed cash flow forecasts and projections and applied stress test scenarios to those forecasts. The Directors have also taken into consideration how the Group has adapted positively to the effect of Covid-19, including their adapted continued support of members.

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. There are inherent uncertainties regarding the forecasts, such as the extent of the impact of the UK recession on the Group and the renewal of memberships in the coming year, although the Directors have every expectation that members will renew further to the revised offering and continued support of members.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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 management in preparing these financial statements.

Key sources of estimation uncertainty

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

Revenue recognition

Turnover comprises the fair value of the consideration receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts. The Company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

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 debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price and 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 Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company 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. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

Share capital

Ordinary shares are classified as equity and are measured at the fair value of the cash received, net of direct costs of issue.

Gift Aid Donations

Gift Aid donations to the company's charitable parent company are recognised as a liability in the financial statements in the reporting period in which the gift aid donation is agreed by a deed of covenant.

In the current year Gift Aid donations have been recognised as distributions and presented in the Statement of Changes in Equity. In the prior year, Gift Aid donations were treated as an expense and recognised through the profit and loss account. The prior year has not been restated for this change in accounting treatment as there is no resulting impact or change in the capital and reserves of the company.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

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.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

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 assets 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 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>1,500</u>	<u>1,500</u>

4 Taxation

As the company has no taxable profit, no tax was payable in the current or prior year.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5 Debtors

	2019	2018
	£	£
Trade debtors	<u>13,138</u>	<u>13,776</u>

6 Creditors

	Note	2019	2018
		£	£
Due within one year			
Trade creditors		6,189	5,009
Amounts due to parent entity	8	61,481	69,078
Accrued expenses		1,500	1,500
Deferred income		<u>12,963</u>	<u>16,340</u>
		<u>82,133</u>	<u>91,927</u>

7 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8 Related party transactions

The company has taken advantage of the exemption from disclosing transactions with other members of the group.

9 Parent and ultimate parent undertaking

The company's immediate parent is The Arboricultural Association, incorporated in England and Wales.

ARBORICULTURAL ASSOCIATION TRADING LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Turnover		
Sales	<u>318,825</u>	<u>292,109</u>
Cost of sales		
Purchases	<u>138,905</u>	<u>101,612</u>
	<u>138,905</u>	<u>101,612</u>
General administrative expenses		
Charitable donations	-	29,343
Management charges payable	112,945	159,654
Auditor's remuneration	<u>1,500</u>	<u>1,500</u>
	<u>114,445</u>	<u>190,497</u>