

Royal Charter number: RC000767

Charity number: 1073396

Landscape Institute

Report and financial statements

For the year ended 31 March 2016

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Reference and administrative information

For the year ended 31 March 2016

Royal Charter number RC000767

Charity number 1073396

Registered office
and operational
address Charles Darwin House 2
107 Gray's Inn Road
London
WC1X 8TZ

Trustees Trustees who served during the year and up to the date of this report were as follows:

Noel Farrer	President until 30 June 2016, then Immediate Past President
Merrick Denton Thompson	President from 1 July 2016, previously President Elect
Susan Illman	Immediate Past President (until 30 June 2015)
Ian Phillips	Vice President
Carolyn Göhler	Honorary Treasurer
Helen Tranter	Honorary Secretary (until 30 June 2015)
James Lord	Honorary Secretary (from 1 July 2015)
Bob Branson	Until 17 May 2016
Mike Owen	Until 10 November 2015
Mark Turnbull	Until 19 May 2016
Phyllis Starkey	
Michelle Bolger	
Charles Young	
Kate Bailey	From 11 February 2016
James Smyllie	From 11 February 2016

Council

Noel Farrer
Merrick Denton Thompson
Ian Phillips
Carolyn Göhler
James Lord
Candida Diamond
Robert Holden
Amanda McDermott
Colin Moore
Marc van Grieken
Wendy Wright
Kate Bailey
Rosemary Walker
Simon Brown

Until 11 February 16
(Licentiate)
(Licentiate)

Reference and administrative information

For the year ended 31 March 2016

	Isaac Winchcombe	(Student)
	Ian Houlston	(Policy committee)
	Bill Blackledge	(Technical committee)
	Christine House	(Education & Membership Committee)
	Catherine Bailey	(East of England)
	Adrian Clarke	(North East)
	Hanna Salomonsson	(London)
	Tim Dyer	(South East)
	Jonathan Miley	(North West)
	Christine Tudor	(South West)
	Steve Fancourt	(Midlands)
	Katharine Schofield	(East Midlands)
	Jan Taylor	(Wales)
	Rachel Tennant	(Scotland)
	David Watkiss	(Northern Ireland)
	Alan Nowell	(Yorkshire & Humber)
Key management personnel	Philip Mulligan	Chief Executive
	Paul Lincoln	Deputy Chief Executive
	Chris Sheridan	Head of Education and Membership
	Simon Odell	Head of Technical and Professional
	Andy Wallace	Head of Finance and Governance
Bankers	NatWest Bank	CAF Bank Ltd
	PO Box 2162	25 Kings Hill Avenue
	20 Dean Street	King Hill
	London	West Malling
	W1A 1SX	Kent, ME19 4JQ
Solicitors	Russell Cooke	
	2 Putney Hill	
	Putney	
	London	
	SW15 6AB	
Auditors	Sayer Vincent LLP	
	Chartered Accountants and Statutory Auditors	
	Invicta House	
	108–114 Golden Lane	
	LONDON	
	EC1Y 0TL	

The Board of Trustees present their annual report and the financial statements of the Landscape Institute for the year ended 31 March 2016. Reference and administrative information on pages 1 to 2 forms part of this report. The financial statements comply with current statutory requirements, the Institute's governing documents and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102.

Objects, purposes and aims

The trustees review the aims, objectives and activities of the Institute each year. This report looks at what the Institute has achieved and the outcomes of its work within the twelve months from April 2015 to March 2016. The trustees report the success of each key activity and the benefits the Institute has brought to its members and the profession that it is set up to help. The review also helps the Trustees ensure the Institute's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Institute's main activities and beneficiaries are described below. All its charitable activities focus on protecting, conserving and enhancing the natural and built environment for the benefit of the public by promoting the arts and sciences of landscape architecture and its several applications; fostering and encouraging the dissemination of knowledge relating to landscape architecture and the promotion of research and education therein; and establishing, upholding and advancing the standards of education, qualification, competence and conduct of those who practise landscape architecture as a profession. All of the activities undertaken by the Institute's activities in pursuit of these charitable objects are undertaken in the public benefit.

The Landscape Institute is constituted under Royal Charter dated 1 September 1997, revised 9 July 2008. The main objects of the Institute are: To protect, conserve and enhance the natural and built environment for the benefit of the public by promoting the arts and sciences of Landscape Architecture and its several applications and for that purpose to foster and encourage the dissemination of knowledge relating to Landscape Architecture and the promotion of research and education therein, and in particular to establish, uphold and advance the standards of education, qualification, competence and conduct of those who practise Landscape Architecture as a profession, and to determine standards and criteria for education training and experience.

Achievements and performance

The Institute has had another successful year. There has been strong financial performance and a comprehensive range of excellent activities has been undertaken. The profile of the Institute has risen and the standing of the profession has been enhanced as the Institute has been able to

advocate and articulate on key issues such as housing, public health, the Greenbelt, flooding and water management, and green infrastructure.

Once again, much of what was achieved was made possible by the support of our many volunteers who hold governance roles, run branches, sit on committees, mentor and examine candidates for chartership, organise events and promote the profession. We were supported by more than 700 volunteers during the year, and while difficult to quantify, we believe that the annual value of this voluntary contribution is between £1m and £1.5m. The Board of trustees would like to thank every member and volunteer who has contributed to the success of the year and helped the Institute in fulfilling its mission to protect and enhance the environment and to create thriving communities through the design and management of inspirational places. No other professional body brings together environmental analysis, spatial planning, site management and design. This unique mix enables members of the Landscape Institute to offer design and management solutions which are environmentally-led, sustainable, and enhance the quality of human life.

Activities for the year are reported on in the following headings, which match the way activities are reported on in the statement of financial activities.

Membership

The Institute furthered its membership work by:

- Developing new types of membership that will allow the Institute to broaden and be more inclusive for anyone working across all areas of landscape practice
- Improving membership records, processes and IT systems
- Revising disciplinary processes for members in breach of the professional Code of Conduct
- Developing a new members' website which includes an online directory of members
- Providing funding for membership activity at branch level
- Providing a comprehensive website for members to access news and resources
- Producing publications for members such as the Journal and policy and technical resources detailed below
- Running design competitions for members to enter

Education

The Institute furthered its educational work by:

- Launching an Ambassador for Landscape scheme aimed at promoting careers in landscape to school children
- Providing bursary support for landscape students to attend the LI annual conference
- Progressing the accreditation of two university level landscape courses
- Developing a new process for experienced practitioners to gain chartership
- Running a comprehensive programme of training for members at events, masterclasses, conferences and via a new webinar service
- Running two cycles of professional exams where pass rates remained high at 78%

Policy and communications

The Institute furthered its work in policy development and communications by:

- Responding to 10 government consultations and enquiries for England plus responses made in the devolved nations
- Producing briefings on the Health and Social Care Act and the Greenbelt
- Representing the profession on key forums such as the Green Infrastructure Partnership, the Place Alliance, Natural England Landscape Forum, the Construction Industry Council and various forums in the devolved nations
- Taking our exhibition on 'Rethinking the Urban Landscape' to various locations across the UK
- Curating a new exhibition on the Greenbelt and holding three seminars on the topic
- Promoting landscape issues as part of Open House with walks and site visits
- Promoting landscape issues within the London Festival of Architecture via debates and walks
- Preparing for the delivery of the Capability Brown Festival
- Supporting the work of the Parks Alliance by providing media and communications services
- Supporting policy work within the devolved nations
- Running our largest ever and most successful Awards event

Technical and professional

The Institute furthered its work in providing technical and professional information and services for members and other interested parties by producing:

- 11 Technical notes
- 20 Technical news items
- Over 700 tweets about technical or professional issues
- 6 Technical newsletters
- 122 responses to member enquiries
- A manuscript for publication on BIM and landscape

Governance

The Institute fulfilled its governance obligations and developed governance processes by:

- Facilitating and supporting the meetings of the Board, Advisory Council, Standing Committees and various sub-committees and working groups
- Running the first ever joint leadership retreat for the Board and Council
- Developing new governing documents that will allow the organisation to become more democratic, inclusive and accountable
- Investigating professional complaints against members
- Undertaking a relocation of the head office to another building owned by our landlords while also undertaking a review of where the head office should be located in the longer term
- Undertaking a salary benchmarking exercise

Financial performance

The Institute's financial performance was strong once again in the year under review. We achieved a surplus in excess of our annual budget mainly as a result of better income generation. We achieved a surplus for the year of £110,347, and net assets increased from £1,809,853 to £1,920,200.

The institute is in a healthy financial position. This was the first year of a discrete and significant two-year project managing the Capability Brown Festival. During 2015–16 this has generated income of £347,229 including restricted funding of £316,229, with associated costs. Our principal funding sources are from membership subscriptions, fees from practices that register with us, fees from candidates on our Pathway to Chartership and a grant from the Heritage Lottery Fund. These funds are applied as shown in note 4 to the financial statements to further our charitable objectives as set out at the beginning of this report and in our Royal Charter.

Reserves policy

The Board of trustees set operating budgets each year in order to maintain sufficient free reserves to cover between three and six months of operational expenditure. We maintain this level of free reserves in order to be able to manage a significant down-turn in our income levels, and in order to be able to cover one-off expenditure deemed necessary for investment in the Institute's future. Our total reserves at the year-end were £1,920,200, of which £16,476 were restricted funds and £1,300,833 were designated funds. Our general fund (free reserve) at the financial year-end stood at £602,891, representing 4 months of unrestricted expenditure.

The Board designated a sum of £1,189,182 during 2014, being the proceeds of sale of our former freehold office premises, and the sum was invested in short-term deposits while the report of a working party set up to consider the future location of the Institute was produced and considered by our members. Our members have now decided that the Institute should remain in London, the Board resolved in May 2016 to form a committee to consider the best use of this fund for the public benefit, the profession, the Institute and its members in the longer term.

Principal risks and uncertainties

The Board has a Finance and Risk Committee that keeps organisational risks under review. A risk register is held by the organisation and the Finance and Risk Committee report annually to the Board on changes to the register and any particular risks the Board should be aware of. The most significant risk the organisation faced during the year concerned challenges from a small group of members who have issues with the way the Institute is currently run and managed. Dealing with such challenges has taken up a considerable amount of leadership time and organisational resources. Associated with this was uncertainty created around the longer term location of the head office. This uncertainty had a negative impact on staff but has now been resolved by a decisive vote by the membership in favour of the head office remaining in London.

Another area of significant potential risk over the last year has been the Capability Brown Festival as the Institute is the holder of a Heritage Lottery Fund grant of nearly £1m which involves the collaboration of a wide range of partners. These risks have been well managed and the Festival is progressing according to plan.

The profession as a whole faces risk and uncertainty due to a decline in UK students opting for landscape education at university. The Institute has prioritised putting resources into promoting careers with younger people and in providing additional support and engagement with education providers. Similarly, current professionals working in the public sector face risk and uncertainty regarding local government reorganisation and funding cuts. The Institute has looked at ways of providing additional support for members working in the public sector.

Plans for the future

We plan to:

- Ask our members to approve new governing documents, the elements of which were approved in principle by membership in 2015
- Develop our new website with a fully integrated online membership renewal process, enabling members to update their own profiles and incorporate an online member directory
- Commission and implement a new singular CRM system to incorporate our existing database, Pathway to Chartership, and other in-house systems
- Develop international membership, further supporting members abroad and attracting new members
- Review membership benefits to enhance support for individuals and practices
- Complete a successful Capability Brown Festival to our agreed Heritage Lottery Fund project plan, thereby enhancing the public's appreciation of and regard for landscape
- Develop our training and educational events program
- Launch our newly completed BIM and landscape book
- Roll out the Green Belt exhibition with associated seminars
- Develop policy on housing, water, health, green belt, design and fracking
- Participation in the London Festival of Architecture
- Support for landscape in the public sector, including the work of the Parks Alliance
- Develop member communications including the website, Journal, Vista and social media
- Develop course accreditation
- Develop new technical publications and guidance notes

Structure, governance and management

Under the provisions of its Royal Charter, the Landscape Institute has a Board of Trustees which normally meets six times per year, and an Advisory Council which meets three times per year. The Institute has a wholly-owned subsidiary, Landscape Services Limited, by nature of common control, which is registered in England and Wales. Its activities serve to generate income for the furtherance of the Institute's charitable objectives.

The Institute has up to twelve trustees. Five are directly elected by the membership of the Institute and seven are appointed by the Institute's elected Council. Three of the appointed trustees are not members of the Institute and have been selected because of relevant expertise of benefit to the organisation and its management. All trustees, whether directly elected or appointed by Council, commit themselves to working to a job description and to acting within a code of conduct.

The induction for new trustees is undertaken by means of circulating an induction pack containing details of the legal roles and responsibilities of trustees, and details about the organisation. Where appropriate familiarisation meetings are also held between the Chief Executive, senior staff and new trustees to ensure that new trustees are properly prepared for their roles. Training in understanding charity finance is routinely offered to all new trustees and training in governance or other relevant matters is provided from time to time as it may be thought beneficial.

The trustees delegate the day-to-day operations of the Institute to the chief executive officer and other principle staff set out on page 3, and monitor performance against an agreed operational plan at intervals throughout each year.

All trustees give their time voluntarily and receive no benefits from the Institute. Any expenses reclaimed from the Institute are set out in note 6 to the accounts.

During the year the Institute commenced work to develop a clear framework for agreeing pay progression and reviewing the pay scales for staff at all levels.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these 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 and statements of recommended practice 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 operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP were re-appointed as the Institute's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 19 July 2016 and signed on their behalf by

Merrick Denton Thompson
President

Independent auditors' report

To the members of

Landscape Institute

We have audited the financial statements of The Landscape Institute for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Institute Balance Sheets, the Group statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees are responsible for the preparation of financial statements which give a true and fair view.

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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report

To the members of

Landscape Institute

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group and Institute's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Matters on which we are required to report by exception

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

- The information given in the report of the trustees is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- We have not received all the information and explanations we require for our audit

19 July 2016

Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006

Landscape Institute

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 March 2016

	Note	Unrestricted £	2016 Restricted £	Total £	Unrestricted	2015 Restricted	Total £
Income from:							
Charitable activities							
Membership	2a	1,341,632	-	1,341,632	1,244,973	-	1,244,973
Education	2b	122,595	5,000	127,595	105,105	-	105,105
Policy and communications	2c	449,618	316,229	765,847	415,276	127,910	543,186
Technical and professional	2d	17,430	-	17,430	16,382	-	16,382
Investments		8,701	-	8,701	5,229	-	5,229
Other income	3	13,382	-	13,382	8,005	-	8,005
Total income		1,953,358	321,229	2,274,587	1,794,970	127,910	1,922,880
Expenditure on:							
Charitable activities							
Membership		316,340	-	316,340	284,704	-	284,704
Education		272,684	-	272,684	248,519	-	248,519
Policy and communications		1,082,004	320,979	1,402,983	976,886	127,910	1,104,796
Technical and professional		172,233	-	172,233	182,291	-	182,291
Total expenditure	4	1,843,261	320,979	2,164,240	1,692,400	127,910	1,820,310
Net income/(expenditure) for the year	5	110,097	250	110,347	102,570	-	102,570
Reconciliation of funds							
Total funds brought forward		1,793,627	16,226	1,809,853	1,691,057	16,226	1,707,283
Total funds carried forward	17	1,903,724	16,476	1,920,200	1,793,627	16,226	1,809,853

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 17 to the financial statements.

Landscape Institute

Balance sheets

31 March 2016

	Note	The group 2016 £	2015 £	The Institute 2016 £	2015 £
Fixed assets					
Tangible assets	10	15,442	17,618	15,442	17,618
Investments	11	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
		15,442	17,618	15,449	17,625
Current assets					
Debtors	13	375,815	148,792	453,549	335,806
Short term deposits		1,594,290	1,584,549	1,594,290	1,584,549
Cash at bank and in hand		<u>581,233</u>	<u>527,909</u>	<u>302,967</u>	<u>190,307</u>
		2,551,338	2,261,250	2,350,806	2,110,662
Liabilities					
Creditors: amounts due within one year	14	<u>646,580</u>	<u>469,015</u>	<u>446,055</u>	<u>318,434</u>
Net current assets		<u>1,904,758</u>	<u>1,792,235</u>	<u>1,904,751</u>	<u>1,792,228</u>
Net assets	16	<u>1,920,200</u>	<u>1,809,853</u>	<u>1,920,200</u>	<u>1,809,853</u>
Funds	17				
Restricted income funds		16,476	16,226	16,476	16,226
Unrestricted income funds					
Designated funds		1,300,833	1,279,878	1,300,833	1,279,878
General funds		<u>602,891</u>	<u>513,749</u>	<u>602,891</u>	<u>513,749</u>
Total Unrestricted income funds		<u>1,903,724</u>	<u>1,793,627</u>	<u>1,903,724</u>	<u>1,793,627</u>
Total funds		<u>1,920,200</u>	<u>1,809,853</u>	<u>1,920,200</u>	<u>1,809,853</u>

Approved by the trustees on 19 July 2016 and signed on their behalf by

Merrick Denton Thompson - President

Landscape Institute

Consolidated statement of cash flows

For the year ended 31 March 2016

	Note	2016	2015
		£	£
Cash flows from operating activities	18		
Net cash provided by operating activities		68,151	121,561
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,701	5,229
Purchase of fixed assets		(13,787)	(10,863)
Proceeds from sale of investments		-	1,189,182
Net cash provided by / (used in) investing activities		(5,086)	1,183,548
Change in cash and cash equivalents in the year		63,065	1,305,109
Cash and cash equivalents at the beginning of the year		2,112,458	807,349
Cash and cash equivalents at the end of the year	19	2,175,523	2,112,458

1. Accounting policies

a) Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and reserves are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the Institute and its wholly-owned subsidiary Landscape Services Limited on a line by line basis. Transactions and balances between the Institute and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes to the accounts. A separate statement of financial activities, or income and expenditure account, for the Institute itself is not presented but the parent-only results are summarised in note 12 and the subsidiary results are provided in note 11.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. The trustees confirm that there are no material transitional adjustments.

c) Public benefit entity

The Institute meets the definition of a public benefit entity under Charities SORP FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Institute has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Institute has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription income is recognised for the period for which the services are provided.

e) Income (continued)

Income from the sale of publications, advertising, and examinations is recognised in the period in which the activity occurs.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Institute has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Institute of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so please refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Institute which is the amount the Institute would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Institute; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering and communicating membership, educational, policy, technical and professional services, undertaken to further the purposes of the Institute and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, being the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, and governance costs, are apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	Support costs	Governance costs
● Membership	23%	19%
● Education	15%	13%
● Policy and communications	51%	59%
● Technical and professional	11%	9%

Governance costs are the costs associated with the governance arrangements of the Institute. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Institute's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture, fittings and office equipment	25% straight
Computers	33 ⅓%
Website	33 ⅓%

m) Investment in subsidiary

Investment in the subsidiary Landscape Services Limited is included in the Institute's balance sheet at cost.

n) Debtors

Trade or other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discount due.

o) Creditors and provisions

Creditors and provisions are recognised where the Institute has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

The Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Institute to the fund. The Institute has no liability under the scheme other than for the payment of those contributions.

2 Income from charitable activities

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Member subscriptions	-	1,166,023	1,166,023	1,096,427
Practice registration fees	-	175,609	175,609	148,546
a Sub-total for membership	-	1,341,632	1,341,632	1,244,973
Funding from Canary Wharf Limited	5,000	-	5,000	-
Examination fees	-	112,845	112,845	94,505
University accreditation fees	-	9,750	9,750	10,600
b Sub-total for education	5,000	122,595	127,595	105,105
Income from Heritage Lottery Fund	316,229	-	316,229	127,910
Other Capability Brown Festival income	-	31,000	31,000	5,000
Events, competitions and sponsorship	-	193,836	193,836	187,350
Advertising income	-	206,690	206,690	212,028
Branch income	-	18,092	18,092	10,898
c Sub-total policy and communications	316,229	449,618	765,847	543,186
Publication sales and royalties	-	17,430	17,430	16,382
d Sub-total for technical and professional	-	17,430	17,430	16,382
Total Income from charitable activities	321,229	1,931,275	2,252,504	1,909,646

3. Other income

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Insurance commission	-	10,385	10,385	7,537
Other income	-	2,997	2,997	468
	-	13,382	13,382	8,005

Landscape Institute

Notes to the financial statements

For the year ended 31 March 2016

4. Analysis of expenditure

	Membership	Education	Policy and communications	Technical and professional	Governance Costs	Support Costs	2016 Total	2015 Total
	£		£		£	£	£	£
Staff costs (note 6)	132,041	85,349	406,727	58,149	70,443	165,133	917,842	778,607
Branch activities	-	-	37,428	-	-	85,748	123,176	89,666
Journal and publications	-	-	157,348	-	-	-	157,348	142,340
Communications and IT	10,264	7,945	28,896	5,617	1,859	79,070	133,651	220,012
Pathway examinations and supervision	-	51,347	-	-	-	-	51,347	56,460
Event costs	71	6,292	223,470	474	15,916	171	246,394	126,423
Other direct costs	3,202	1,393	129,142	24,514	7,459	43,560	209,270	121,413
Legal & professional	-	-	-	-	33,450	36,446	69,896	88,282
Depreciation	-	-	-	-	-	15,963	15,963	10,524
Committee expenses	3,294	7,818	9,651	6,354	26,374	19,696	73,187	61,727
Premises costs	-	-	-	-	-	118,971	118,971	82,859
Other costs	-	-	-	-	-	47,195	47,195	41,997
	148,872	160,144	992,662	95,108	155,501	611,953	2,164,240	1,820,310
Support costs	125,391	85,342	280,712	58,596	61,912	(611,953)	-	-
Governance costs	42,077	27,198	129,609	18,529	(217,413)	-	-	-
Total expenditure 2016	316,340	272,684	1,402,983	172,233	-	-	2,164,240	1,820,310
Total expenditure 2015	284,704	248,519	1,104,796	182,291	-	-	1,820,310	-

Of the total expenditure, £1,843,261 was unrestricted (2015: £1,692,400) and £320,979 was restricted (2015: £127,910)

5. Net income for the year

This is stated after charging

	2016 £	2015 £
Depreciation	15,963	10,524
Trustees' expenses	15,139	26,304
Auditors' remuneration:		
▪ Audit	10,800	10,300
▪ Under/over accrual from previous year	-	300
Operating lease rentals:		
▪ Property	16,200	32,400
▪ Office equipment	5,957	5,957
	<u>16,200</u>	<u>32,400</u>
	<u>5,957</u>	<u>5,957</u>

6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	752,916	625,679
Redundancy and termination costs	10,539	-
Social security costs	76,056	66,135
Employer's contribution to defined contribution pension schemes	26,211	24,751
Other staff related costs	52,120	62,042
	<u>917,842</u>	<u>778,607</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 No.	2015 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
	<u>1</u>	<u>-</u>

The total employee benefits including pension contributions of the key management personnel were £284,488 (2015: £275,981).

The charity trustees were not paid for and did not receive any other benefits from employment with the Institute in the year (2015: nil).

During the year, two trustees (2015: one), Susan Illman and Ian Phillips, received remuneration in respect of professional services provided, totalling £2,340 (2015: £1,440).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £15,139 (2015: £26,304) incurred by 13 trustees (2015: 13) relating to attendance at meetings of the trustees, meetings with members and external representation of the Institute.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Membership	2.9	2.4
Education	1.8	1.6
Policy and communications	8.5	6.7
Technical and professional services	1.3	1.2
Support	3.7	3.2
Governance	1.5	1.4
	19.7	16.5

8. Taxation

The Institute is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Institute's trading subsidiary Landscape Services Ltd gift aids any available profits to the Institute.

9. Related party transactions

Other than those disclosed in note 6, there were no other related party transactions during the year.

In particular, there were no donations from related parties which were outside the normal course of business and no restricted donations from related parties.

10. Tangible fixed assets

The group and the charity	Fixtures, fittings, office equipment £	Computers £	Database and website £	Totals £
Cost				
At the start of the year	11,161	9,242	107,559	127,962
Additions in year	10,694	3,093	-	13,787
At the end of the year	21,855	12,335	107,559	141,749
Depreciation				
At the start of the year	11,161	6,330	92,853	110,344
Charge for the year	2,673	2,512	10,778	15,963
At the end of the year	13,834	8,842	103,631	126,307
Net book value				
At the end of the year	8,021	3,493	3,928	15,442
At the start of the year	-	2,912	14,706	17,618

The tangible fixed assets of the Institute are the same as those of the group and, therefore, have not been stated separately.

All of the above assets are used for charitable purposes.

Landscape Institute

Notes to the financial statements

For the year ended 31 March 2016

11. Subsidiary Undertaking

The Institute owns the whole of the issued ordinary share capital of £7 in Landscape Services Limited, a company registered in England. Activities of the subsidiary include events management and sales of advertising and publications. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the Institute. A summary of the results of the subsidiary is shown below:

	2016 £	2015 £
Turnover	587,459	560,998
Cost of sales	<u>(325,027)</u>	<u>(327,641)</u>
Gross profit	262,432	233,357
Administrative expenses	<u>(129,805)</u>	<u>(136,246)</u>
Operating profit	132,627	97,111
Amount payable to Landscape Institute under Gift Aid	<u>(132,627)</u>	<u>(97,111)</u>
Profit for financial year	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	380,240	409,271
Liabilities	<u>(380,233)</u>	<u>(409,264)</u>
Funds	<u>7</u>	<u>7</u>

12. Parent charity

The parent Institute's gross income and the results for the year are disclosed as follows:

	2016 £	2015 £
Gross income	1,682,128	1,458,994
Results for the year	<u>110,347</u>	<u>102,570</u>

Landscape Institute

Notes to the financial statements

For the year ended 31 March 2016

13. Debtors

	The group		The Institute	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	122,363	84,633	29,700	13,870
Due from group undertakings	-	-	179,708	258,684
Accrued income	154,221	17,447	154,221	17,447
Sundry debtors	14,311	11,087	14,311	11,087
Prepayments	84,920	35,625	75,609	34,718
	375,815	148,792	453,549	335,806

14. Creditors: amounts due within one year

	The group		The Institute	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	142,221	59,094	111,300	52,518
Deferred income (note 15)	339,448	313,609	193,533	184,105
Taxation and social security	24,277	18,973	24,277	18,973
VAT creditor	41,782	42,300	30,567	29,999
Other creditors	12,437	3,674	12,436	3,674
Accruals	86,415	31,365	73,942	29,165
	646,580	469,015	446,055	318,434

15. Deferred Income

Deferred income comprises membership and registered practice fees, examination fees and project income received in advance.

	The group		The Institute	
	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	313,609	311,108	184,105	179,214
Amount released to income in the year	(313,609)	(296,108)	(184,105)	(179,214)
Amount deferred in the year	339,448	298,609	193,533	184,105
	339,448	313,609	193,533	184,105

16. Analysis of group net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
Tangible fixed assets	-	15,442	-	15,442
Net current assets	16,476	1,285,391	602,891	1,904,758
	16,476	1,300,833	602,891	1,920,200

Notes to the financial statements

For the year ended 31 March 2016

17 Movements in funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
Restricted funds:					
Travel award	11,476	-	-	-	11,476
Capability Brown 300 Celebration and Festival	-	316,229	(316,229)	-	-
Green Infrastructure fund	4,750	-	(4,750)	-	-
Playground Project	-	5,000	-	-	5,000
Total restricted funds	16,226	321,229	(320,979)	-	16,476
Unrestricted funds:					
Fixed assets funds	17,618	-	-	(2,176)	15,442
Branch funds	73,078	18,092	(85,748)	84,277	89,699
Property Fund	1,189,182	-	-	6,510	1,195,692
<i>Total designated funds</i>	<i>1,279,878</i>	<i>18,092</i>	<i>(85,748)</i>	<i>88,611</i>	1,300,833
General funds	513,749	1,935,266	(1,757,513)	(88,611)	602,891
<i>Total general funds</i>	<i>513,749</i>	<i>1,935,266</i>	<i>(1,757,513)</i>	<i>(88,611)</i>	602,891
Total unrestricted funds	1,793,627	1,953,358	(1,843,261)	-	1,903,724
Total funds	1,809,853	2,274,587	(2,164,240)	-	1,920,200

General funds

General Funds are funds available for the purposes of the Institute to be spent as the Board of Trustees sees fit within the stated objectives of the charity. The Board of Trustees are free to set priorities and decide how and when to spend these funds, and they are not earmarked in any way.

Purposes of restricted funds

The Travel Award Memorial fund originated from a donation to provide travel awards to members. Since the end of the 2015/16 financial year we have developed a system for promoting these awards and inviting suitable applications from student members. By the end of May 2016 we had made two awards totalling £1,500.

The Capability Brown 300 Celebration and Festival fund was established as a pilot project in 2014/15, with funding from the Heritage Lottery Fund (HLF). The pilot proved to be a success, and a further application to HLF fund to manage the 300th birthday festival during 2015/16 was submitted. HLF awarded a grant in April 2015, and the Festival project is well underway, culminating in a series of national events over the summer and early autumn of 2016.

The Green Infrastructure fund originated from a grant from the Greater London Authority, for the development of a Green Infrastructure promotional video which was completed and promoted during 2015/16.

The Playground Project is an educational competition where primary schools in the London Borough of Tower Hamlets are matched with a landscape architect to re-design an aspect of their playground through partaking in design-based activities. Each school's final design will be entered into the competition, with a chance to win £5,000 to help implement the design. Seven schools are taking part in the project with judging to take place early in the new financial year. Funding has been provided by the Canary Wharf Group.

Purposes of designated funds

The net value of fixed assets is reflected in a designated fund.

Funds in branch bank accounts are intended for use in the relevant branch.

The Property fund comprises net proceeds of the sale of the Institute's former investment property. The Board resolved on 17th May 2016 to investigate suitable investments for this fund during the new financial year.

18. Reconciliation of net income to net cash flow from operating activities

	2016 £	2015 £
Net income for the reporting period (as per the statement of financial activities)	110,347	102,570
Depreciation charges	15,963	10,524
Dividends, interest and rent from investments	(8,701)	(5,229)
(Increase)/decrease in debtors	(227,023)	18,991
Increase/(decrease) in creditors	177,565	(5,295)
Net cash provided by operating activities	68,151	121,561

Notes to the financial statements

For the year ended 31 March 2016

19. Analysis of cash and cash equivalents	At 1 April 2015 £	Cash flows £	At 31 March 2016 £
Cash at bank and in hand	527,909	53,324	581,233
Notice deposits (less than 3 months)	<u>1,584,549</u>	<u>9,741</u>	<u>1,594,290</u>
Total cash and cash equivalents	<u>2,112,458</u>	<u>63,065</u>	<u>2,175,523</u>

20. Operating lease commitments

The group's and the Institute's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
The group had annual commitments at the year end under operating leases expiring as follows:	£	£	£	£
Less than 1 year	43,848	5,957	16,200	5,957
1 - 5 years	<u>131,544</u>	<u>11,914</u>	<u>-</u>	<u>17,871</u>
	<u>175,392</u>	<u>17,871</u>	<u>16,200</u>	<u>23,828</u>

21. Capital Commitments

At the balance sheet date, the group had no capital commitments (2015: nil)

22. Contingent liabilities

The group and the charity had no contingent liabilities at the balance sheet date or the date of approval of these financial statements.

23. Legal status of the Institute

The Institute is a registered charity, number 1073396 and incorporated by Royal Charter, registration number RC000767.