

The Areti Charitable Trust

**Trustees' Annual Report and
Unaudited Financial Statements**

**For The Year Ended
31 December 2021**

THE ARETI CHARITABLE TRUST

CONTENTS

	Page
Trustees' annual report	2
Independent examiner's report to the trustees	6
Statement of financial activities	7
Balance sheet	8
Cash flow statement	9
Notes to the accounts	10

THE ARETI CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name The Areti Charitable Trust

Charity registration number 1175627

Registered office C/O Joseph A Jones & Co
6 Fenton Street
Lancaster
LA1 1TE

The trustees

The trustees who served the charity during the period were as follows:

P A Clarke
R A Follows

Solicitors Joseph A Jones & Co
6 Fenton Street
Lancaster
LA1 1TE

Independent examiner MHA Moore and Smalley
Priory Close
St Mary's Gate
Lancaster
Lancashire
LA1 1XB

Investment Managers Garstang Independent Financial Services
The Resource Centre
Bridge St
Garstang
Preston
PR3 1YB

Lunesdale Investment Managers
Unit 3 Strands Barn
Strands Farm Lane
Hornby
Lancaster
LA2 8JF

THE ARETI CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Background to the Charity

The Areti Charitable Trust ("the Charity") was created by Trust Deed on 26 August 2015, as amended by Deed dated 31 October 2017, and registered with the Charity Commission on 8 November 2017 with Charity Number 1175627.

The principal object of The Areti Charitable Trust is to make grants in order to give disadvantaged children and young people opportunities to experience and learn more about the natural world.

Charitable objectives

The objectives of the Charity are to advance in life and help young people, especially but not exclusively those living in the administrative area covered by Lancaster City Council, through:

- a) the provision and/or facilitation of recreational leisure activities provided in the interests of social welfare designed to improve their conditions of life, especially but not exclusively those who have need by reason of their infirmity or disability, poverty or social or economic circumstances with a view to improving the conditions of life for such persons;
- b) the provision and/or facilitation of support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals;
- c) advancement of their education in the conservation, protection and improvement of the physical and natural environment.
- d) The Charity's strategy to achieving its objectives is to invest its income to generate a return that can allow the Trustees to donate to various charitable causes at their discretion in accordance with the charitable objects. The Trustees will measure the success of the Charity by quantifying the sum of donations made to these causes. This is considered to be both the Charity's short term and long-term objective.

Public benefit

The Charities Act 2011 requires charities to report on the public benefit of their activities. The Trustees have had regard to the Charity Commission's guidance on public benefit and believe that an appreciation of the Charity's public benefit can be obtained from the review of its achievements and performance.

Structure, governance and management

The Charity is governed by a Trust Deed dated 26 August 2015 and amended by Deed dated 31 October 2017, under the terms of which the Trustees operate. Its charity registration number is 1175627.

The activity of the Charity is determined by the Trustees and facilitated with the assistance of Joseph A Jones Solicitors, Lancaster. All decisions are made by the two Trustees. The Charity has no volunteers other than its Trustees.

The Charity pays no remuneration to its Trustees and has no paid employees. There are no other volunteers to the Charity other than its Trustees. Appointment of new Trustees would be at the discretion of the existing Board and there would be no remuneration for such a role.

Investment policy

The investments held by the Charity and their performance is reviewed at each Trustee meeting with investment managers who may be instructed to carry out any recommended changes as to the investment instruments. The managers are instructed to keep a balanced portfolio to spread the risk and maximise capital growth without jeopardising revenue income.

THE ARETI CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

The Trustees consider and assess on an on-going basis the major risks to which the Charity may be exposed. The principal risk is considered to be exposure to markets with the investment portfolio held. The Trustees have delegated fund management to Garstang Independent Financial Services who are experienced in this field which is considered to mitigate the risks associated with such investments to an appropriate level. The performance of the investments is regularly reviewed through Trustee Board meetings.

Achievements and performance

The trustees are pleased to present a positive picture of the work of the Trust in 2021, despite the disruptions and uncertainties of the continuing pandemic. Some of the activities supported by the Trust had been funded in 2020 but postponed until 2021 and others were new. The RSPB at Leighton Moss was admirably proactive in getting children out into the natural world again after the straight jacket of the previous year: in the last weeks of the summer term over 300 primary school pupils visited the reserve for a day of educational activities.

It is heartening for the Trust to support the enthusiasm and knowledge of others for the benefit of future generations and the world we all live in, and we are glad that applications at the end of 2021 were at a more "normal" level.

Financial review and reserves policy

At the end of the financial period the Charity had total funds of £5,153,130 (2020: £4,818,965). The net movement in funds of £334,165 was after net investment surpluses of £330,292. Income was generated from investments of £91,847 and £49,378 has been donated to good causes. The Charity has incurred £38,596 in other support costs in the period.

At the period end date the Charity held £862,815 (2020: £926,052) in cash funds and £4,291,205 (2020: £3,892,816) within its investment portfolio, both expected to generate future income for the Charity.

There are no funds in deficit and no going concern uncertainties.

The Charity has no formal reserves policy. The Trustees intend to hold investments as capital and the proceeds of returns from the investments will then be spent through charitable donations, as well as funding the operating costs of the Charity. The nature of the Charity's operations means that a reserves policy is not necessary.

Plans for future periods

The Charity intends to donate to further charitable causes in accordance with the objectives of the Charity.

There is not expected to be a material change in direction of the Charity in the short or medium term.

THE ARETI CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity, and of the income and expenditure of the Charity, 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 Charity's governing document, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and UK Generally Accepted Accounting Practice.

The Trustees' Report was approved on 4 May 2022 and was signed on behalf of the Trustees by:



P A Clarke
Trustee



R A Follows
Trustee

THE ARETI CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ARETI CHARITABLE TRUST FOR THE YEAR ENDED 31 DECEMBER 2021

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 7 to 17.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jenny McCabe FCA
Independent Examiner
MHA Moore and Smalley Chartered Accountants
Priory Close
St Mary's Gate
Lancaster
LA1 1XB

06/05/2022
.....

THE ARETI CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Investments	3	91,847	-	91,847	85,692
Other	4	-	-	-	75
Total		91,847	-	91,847	85,767
Expenditure on:					
Charitable activities	5	87,974	-	87,974	86,894
Total		87,974	-	87,974	86,894
Net income before other recognised gains		3,873	-	3,873	(1,127)
Other recognised gains					
Realised gain/(loss) on disposals of investments		45,121	-	45,121	(10,039)
Unrealised gain on revaluation of investments		285,171	-	285,171	154,302
Net movement in funds		334,165	-	334,165	143,136
Reconciliation of funds:					
Total funds brought forward		4,818,965	-	4,818,965	4,675,829
Total funds carried forward	13	5,153,130	-	5,153,130	4,818,965

The notes on pages 10 to 17 form part of these financial statements.

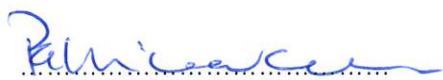
THE ARETI CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
		£	£	£	£
Fixed assets					
Investments	10	4,291,205		3,892,816	
			4,291,205		3,892,816
Current assets					
Debtors	11	1,450		1,897	
Cash at bank and in hand		862,815		926,052	
		864,265		927,949	
Creditors: amounts falling due within one year	12	(2,340)		(1,800)	
Net current assets			861,925		926,149
Total assets less current liabilities			5,153,130		4,818,965
Net assets			5,153,130		4,818,965
Funds:					
Restricted funds	13	-		-	
Unrestricted funds	13	5,153,130		4,818,965	
Total funds			5,153,130		4,818,965

These accounts were approved by the Trustees and authorised for issue on the 4 May 2022 and are signed on their behalf by:


P A Clarke
Trustee


R A Follows
Trustee

The notes on pages 10 to 17 form part of these financial statements.

THE ARETI CHARITABLE TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash generated in operating activities	(86,987)	(85,435)
Cashflows from investing activities		
Investment income	91,847	85,692
Purchase of fixed asset investments	(481,713)	(134,331)
Receipts from sale of investments	346,635	151,167
Cash (used in)/ provided by investing activities	(130,218)	17,093
Increase in cash and cash equivalents in the year	(130,218)	17,093
Cash and cash equivalents brought forward	1,090,027	1,072,934
Cash and cash equivalents carried forward	959,809	1,090,027
Reconciliation of net movement in funds to net cashflow from operating activities		
Net movement in funds	3,873	(1,127)
Investment income received	(91,847)	(85,692)
Decrease in debtors	447	1,384
Increase in creditors	540	-
Net cash (used in)/ generated in operating activities	(86,987)	(85,435)
Components of cash and cash equivalents		
Cash at bank and in hand	862,815	926,052
Cash held with investment managers	96,994	163,975
	959,809	1,090,027

The notes on pages 10 to 17 form part of these financial statements.

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Legal form

The Areti Charitable Trust is a registered charity with charity number 1175627 established under a Trust Deed dated 26 August 2015 and amended 31 October 2017. The registered office of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' report within these financial statements.

The Charity meets the definition of a public benefit entity under FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS 102)), and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

The financial statements have been prepared on a going concern basis under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees have considered the position of the charity and believe that it holds sufficient reserves to continue in operation for at least 12 months from approval of the accounts, therefore the going concern basis of accounts preparation is appropriate.

Income

Investment income is earned through holding assets for investment purposes, and through bank interest. It includes dividends and interest and is included when the amounts are received and/or earned by the Charity.

Expenditure

All expenditure is accounted for on an accruals basis in the expense categories required by the SORP. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Costs are further allocated between the activities undertaken on a basis consistent with the use of the resources. Expenditure includes irrecoverable VAT.

Charitable activities expenditure includes costs incurred in the delivery of the charity's activities and services. It includes professional fees in maintaining the investment portfolio.

The main expenditure for the Charity is through making donations to good causes at the discretion of the Trustees, in accordance with the Trust Deed.

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Investments are subsequently stated at fair value of the shares which are publicly traded. The SOFA included the net gains and losses arising on revaluations and disposals throughout the period.

Cash and cash equivalents

Cash is a basic financial asset and includes cash and deposits held on call and on deposit with banks.

Fund accounting

Unrestricted funds - General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds - Designated funds are unrestricted funds set aside by the Trustees for particular purposes.

Restricted funds - Restricted funds arise where there is a donor-imposed restriction on the use of the funds, or the funds have arisen in response to an appeal for a specified purpose.

Taxation

HM Revenue & Customs considers The Areti Charitable Trust to be a charity and therefore they are entitled to exemption from tax afforded by Sections 478-489 of the Corporation Taxes Act 2010 to the extent that income is applied exclusively for charitable purposes.

Financial instruments

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Basic financial assets are initially measured at transaction price and are subsequently carried at amortised cost. Financial assets are assessed for indicators of impairment at each reporting end date.

The charity has no basic financial liabilities at the period end

2 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. In the opinion of the Trustees there have been no significant judgements made in the process of applying the above accounting policies. There have been no key assumptions concerning future and other key 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 financial year.

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Bank interest receivable	7,055	-	7,055	4,354
Dividends received	84,792	-	84,792	81,338
	91,847	-	91,847	85,692

4 Other income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other income	-	-	-	75
	-	-	-	75

5 Expenditure on charitable activities

Activity		Opportunities for young people £	Total 2021 £	Total 2020 £
Donations in accordance with Charity objects		49,378	49,378	51,924
Support costs	6	38,596	38,596	34,970
		87,974	87,974	86,894

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Support costs

	Total 2021 £	Total 2020 £
Professional fees	4,800	4,800
Investment management fees	22,628	20,230
Other costs of investments	8,252	7,212
Accountancy fees	2,760	2,610
Bank charges	107	66
Website costs	49	52
	38,596	34,970

7 Net income

	2021 £	2020 £
Net income is stated after charging:		
Independent examination fees	2,310	2,160
Independent examiner's remuneration - other tax advisory services	450	450

8 Staff costs and Trustee remuneration

The Charity has no employees during the period and no individual, including the Trustees, received any remuneration.

No expenses have been paid to Trustees during the period.

9 Related party transactions

The Charity is considered to be under the control of the two Trustees during the period.

There are no reporting related party transactions during the current year.

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Fixed asset investments

	2021 £	2020 £
Other investments at Valuation		
Balance brought forward	3,892,816	3,779,080
Acquisitions at cost	481,713	134,331
Receipts for sale of investments	(346,635)	(151,167)
Realised losses on sale of investments	45,121	(10,039)
Unrealised loss on investments	285,171	154,302
Movement in cash held as part of investment portfolio	(66,981)	(13,691)
Total investments	4,291,205	3,892,816

Total investments comprise the following type of investments:

UK listed equities & fixed interest securities	2,441,200	2,410,525
UK listed bonds	1,451,292	1,036,264
Property and alternative investments	301,719	282,052
Cash held as part of investment portfolio	96,994	163,975
Total investments	4,291,205	3,892,816

11 Debtors

	2021 £	2020 £
Accrued bank interest	1,450	1,897
	1,450	1,897

12 Creditors: amounts due within one year

	2021 £	2020 £
Accruals	2,340	1,800
	2,340	1,800

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Analysis of funds: Current year

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Inv'ment gains £	At 31 Dec 2021 £
Restricted funds	-	-	-	-	-	-
Unrestricted funds	4,818,965	91,847	(87,974)	-	330,292	5,153,130
Total funds	4,818,965	91,847	(87,974)	-	330,292	5,153,130

14 Analysis of funds: Prior year

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Inv'ment gains £	At 31 Dec 2020 £
Restricted funds	-	-	-	-	-	-
Unrestricted funds	4,675,829	85,767	(86,894)	-	144,263	4,818,965
Total funds	4,675,829	85,767	(86,894)	-	144,263	4,818,965

15 Analysis of net assets between funds: Current year

	Fixed asset investments £	Net current assets £	Total £
Restricted funds	-	-	-
Unrestricted funds			
General funds	4,291,205	861,925	5,153,130
Total funds	4,291,205	861,925	5,153,130

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds: Prior year

	Fixed asset investments £	Net current assets £	Total £
Restricted funds	-	-	-
Unrestricted funds			
General funds	3,892,816	926,149	4,818,965
Total funds	3,892,816	926,149	4,818,965

THE ARETI CHARITABLE TRUST

APPENDIX TO THE FINANCIAL STATEMENTS: DONATIONS FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to document the following donations which have been made during the year:

	Donations 2021 £	Donations 2020 £
Arnsdale and Silverdale AONB	-	15,800
Castle View Primary School, Lancaster	342	-
CEEP	3,600	-
Escape2make	25,000	-
Hermitage Feld Community Meadow	3,410	-
Heron Corn Mill	2,400	-
Lancashire Youth Challenge	8,820	8,150
Lancaster Boys and Girls Club	-	3,394
LUDUS Dance	-	6,580
Marsh Community Centre	-	3,500
Morecambe Bay Partnership	-	13,300
Morecambe Bay Primary School	655	-
Poulton-le-Sands Primary School, Lancaster	348	-
Sandylands Primary School, Morecambe	300	-
St Lukes Primary School, Skerton	1,010	-
St Patricks Catholic Primary School, Morecambe	1,302	-
Trumacar Primary School, Heysham	599	-
Walney Community Trust	-	1,200
West End Primary School, Morecambe	300	-
Westgate Primary School, Morecambe	950	-
Willow Lane Primary School, Lancaster	342	-
	49,378	51,924