

The Areti Charitable Trust

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

**For The Year Ended
31 December 2023**

THE ARETI CHARITABLE TRUST

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THE ARETI CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2023.

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
14 Mannin Way
Lancaster Business Park
Lancaster
Lancashire
LA1 3SW

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 2023

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 2023

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, with a strong upswing in grants awarded in 2023.

The Trust is receiving an increasing number of applications for activities based in nature and in the local landscape aimed specifically at raising awareness of environmental challenges such as biodiversity loss and climate change. As a result, the Trustees have shifted their focus slightly and are minded to prioritise such projects, while still being willing to consider more "traditional" outdoor activities.

Financial review and reserves policy

At the end of the financial period the Charity had total funds of £4,512,952 (2022: £4,411,973). The net increase in funds of £100,979 was after net investment gains of £122,351. Income was generated from investments of £128,095 and £112,358 has been donated to good causes. The Charity has incurred £37,109 in other support costs in the period.

At the period end date the Charity held £817,440 (2022: £817,370) in cash funds and £3,691,393 (2022: £3,593,569) 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 2023

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 25-4-24 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 2023

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2023 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.



Jack Steer ACA
Independent Examiner
MHA
14 Mannin Way
Lancaster Business Park
Lancaster
LA1 3SW

25 April 2024

THE ARETI CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income from:					
Investments	3	128,095	-	128,095	101,943
Total		128,095	-	128,095	101,943
Expenditure on:					
Charitable activities	4	149,467	-	149,467	169,258
Total		149,467	-	149,467	169,258
Net (expenditure)/income before other recognised gains		(21,372)	-	(21,372)	(67,315)
Other recognised gains					
Realised (loss)/gain on disposals of investments		26,090	-	26,090	(33,359)
Unrealised (loss)/gain on revaluation of investments		96,261	-	96,261	(640,483)
Net movement in funds		100,979	-	100,979	(741,157)
Reconciliation of funds:					
Total funds brought forward		4,411,973	-	4,411,973	5,153,130
Total funds carried forward	12	4,512,952	-	4,512,952	4,411,973

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

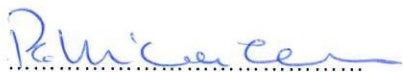
THE ARETI CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
		£	£	£	£
Fixed assets					
Investments	9	3,691,393		3,593,569	
			3,691,393		3,593,569
Current assets					
Debtors	10	6,956		3,608	
Cash at bank and in hand		817,440		817,370	
		824,396		820,978	
Creditors: amounts falling due within one year	11	(2,837)		(2,574)	
Net current assets			821,559		818,404
Total assets less current liabilities			4,512,952		4,411,973
Net assets			4,512,952		4,411,973
Funds:					
Restricted funds	12	-		-	
Unrestricted funds	12	4,512,952		4,411,973	
Total funds			4,512,952		4,411,973

These accounts were approved by the Trustees and authorised for issue on the 25-4-24 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 2023

	2023 £	2022 £
Cash generated in operating activities	(152,552)	(171,182)
Cashflows from investing activities		
Investment income	128,095	101,943
Purchase of fixed asset investments	(228,785)	(119,745)
Receipts from sale of investments	241,991	108,428
Cash (used in)/ provided by investing activities	(11,251)	(80,556)
Increase in cash and cash equivalents in the year	(11,251)	(80,556)
Cash and cash equivalents brought forward	879,253	959,809
Cash and cash equivalents carried forward	868,002	879,253
Reconciliation of net movement in funds to net cashflow from operating activities		
Net movement in funds	(21,372)	(67,315)
Investment income received	(128,095)	(101,943)
Decrease in debtors	(3,348)	(2,158)
Increase in creditors	263	234
Net cash (used in)/ generated in operating activities	(152,552)	(171,182)
Components of cash and cash equivalents		
Cash at bank and in hand	817,440	817,370
Cash held with investment managers	50,562	61,883
	868,002	879,253

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 2023

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 2023

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 2023

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Bank interest receivable	20,027	-	20,027	8,796
Dividends received	108,068	-	108,068	93,147
	128,095	-	128,095	101,943

4 Expenditure on charitable activities

Activity		Opportunities for young people £	Total 2023 £	Total 2022 £
Donations in accordance with Charity objects		112,358	112,358	130,236
Support costs	5	37,109	37,109	39,022
		149,467	149,467	169,258

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Support costs

	Total 2023 £	Total 2022 £
Professional fees	7,200	7,218
Investment management fees	19,845	21,204
Other costs of investments	7,145	7,869
Accountancy fees	2,778	2,574
Bank charges	75	99
Website costs	66	58
	37,109	39,022

6 Net income

	2023 £	2022 £
Net income is stated after charging:		
Independent examination fees	2,325	2,145
Independent examiner's remuneration - other tax advisory services	453	429

7 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.

8 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 2023

9 Fixed asset investments

	2023 £	2022 £
Other investments at Valuation		
Balance brought forward	3,593,569	4,291,205
Acquisitions at cost	228,785	119,745
Receipts for sale of investments	(241,991)	(108,428)
Realised losses on sale of investments	26,090	(33,359)
Unrealised loss on investments	96,261	(640,483)
Movement in cash held as part of investment portfolio	(11,321)	(35,111)
Total investments	3,691,393	3,593,569

Total investments comprise the following type of investments:

UK listed equities & fixed interest securities	2,206,773	2,095,624
UK listed bonds	1,245,963	1,237,499
Property and alternative investments	188,095	198,563
Cash held as part of investment portfolio	50,562	61,883
Total investments	3,691,393	3,593,569

10 Debtors

	2023 £	2022 £
Accrued bank interest	6,956	3,608
	6,956	3,608

11 Creditors: amounts due within one year

	2023 £	2022 £
Accruals	2,837	2,574
	2,837	2,574

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Analysis of funds: Current year

	At 1 Jan 2023 £	Income £	Expenditure £	Transfers £	Inv'ment gains £	At 31 Dec 2023 £
Restricted funds	-	-	-	-	-	-
Unrestricted funds	4,411,973	128,095	(149,467)	-	122,351	4,512,952
Total funds	4,411,973	128,095	(149,467)	-	122,351	4,512,952

13 Analysis of funds: Prior year

	At 1 Jan 2022 £	Income £	Expenditure £	Transfers £	Inv'ment gains £	At 31 Dec 2022 £
Restricted funds	-	-	-	-	-	-
Unrestricted funds	5,153,130	101,943	(169,258)	-	(673,842)	4,411,973
Total funds	5,153,130	101,943	(169,258)	-	(673,842)	4,411,973

14 Analysis of net assets between funds: Current year

	Fixed asset investments £	Net current assets £	Total £
Restricted funds	-	-	-
Unrestricted funds			
General funds	3,691,393	821,559	4,512,952
Total funds	3,691,393	821,559	4,512,952

THE ARETI CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Analysis of net assets between funds: Prior year

	Fixed asset investments £	Net current assets £	Total £
Restricted funds	-	-	-
Unrestricted funds			
General funds	3,593,569	818,404	4,411,973
Total funds	<u>3,593,569</u>	<u>818,404</u>	<u>4,411,973</u>

THE ARETI CHARITABLE TRUST

APPENDIX TO THE FINANCIAL STATEMENTS: DONATIONS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Donations 2023 £	Donations 2022 £
Castle View Primary School, Lancaster		-
CEEP	2,920	4,000
Escape2make	-	15,000
Lancashire Youth Challenge	10,040	8,100
Lancashire Boys and Girls Club	2,400	2,000
Arnsdale & Silverdale AONB	26,420	31,245
Lancashire County Council	1,052	511
CancerCare	-	2,500
Stomping Ground CIC	-	2,720
Lakeland Arts	-	2,991
Skerton Youth Groups	1,600	2,750
Morecambe Bay Primary School	-	2,820
Sandylands Primary School, Morecambe	-	2,434
St Lukes Primary School, Skerton	-	290
St Patricks Catholic Primary School, Morecambe	553	-
West End Primary School, Morecambe	-	1,560
Westgate Primary School, Morecambe	1,216	1,162
St Joseph Catholic Primary School	740	756
Lancaster Road Primary School	2,991	2,132
Bolton-le-Sands Primary School	-	307
The Ridge Primary School	-	362
Carnforth Primary School	-	1,052
North Road County School Fund	-	366
Morecambe Road School	-	5,000
Ryelands PC	-	652
Kent Estuary Youth Project	-	2,000
The Outward Bound Trust	2,453	1,164
Larksfoot CIC	16,120	12,206
Less UK CIC	23,280	23,396
Litfest	1,200	760
Carnforth CP School Fund	360	-
Ryelands LCC	679	-
Morecambe Bay Partnership	15,331	-
Lancashire County Council Schools	603	-
Roots to Branches FS CIC	2,400	-
	112,358	130,236