

**Trust for Research and Education on the Arms Trade
(TREAT)**

Report and Accounts

For the year ended 30 June 2022

Unit 1.9
The Green House
244-254 Cambridge Heath Road
London E2 9DA

Trust for Research and Education on the Arms Trade

Trustees' Report

For the Year Ended 30 June 2022

The trustees present their report and accounts of the charity for the year ended 30 June 2022.

The trustees have complied with the duty to have due regard to guidance issued by the Charity Commission.

LEGAL AND ADMINISTRATIVE INFORMATION

Charity name:	Trust for Research and Education on the Arms Trade also known as TREAT
Charity registration number:	328694
Principal office:	Unit 1.9, The Green House, 244-254 Cambridge Heath Road, London E2 9DA

Trustees

The following served as trustees during the year and continue to serve to the date of this report unless indicated otherwise:

Helen Close	
Chris Cole	
Jon Nott	Secretary
Nicholas Gilby	
Samantha Rimmer	(To 4 January 2022)
Anna Stavrianakis	

Independent Examiner	Harry Nicolaou FCA FCCA of Harry Nicolaou & Co Limited Chartered Accountants 21 Brendon Way, Enfield EN1 2LF
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Bankers	The Co-operative Bank 1 High Street, Islington, London N1 9TR
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Trust for Research and Education on the Arms Trade (TREAT) is an unincorporated body governed by its Trust Deed dated 27 June 1990 as amended by a Supplemental Trust Deed dated 20 July 2006. It was registered as a charity on 4 July 1990.

On 17 March 2003 the Charity Commission issued a Certificate of Incorporation of the trustees in the name of "The Trustees of the Trust for Research and Education on the Arms Trade".

Recruitment and appointment of trustees

In accordance with the Trust Deed the number of trustees must be at least three and not more than 12. New trustees must be suitably qualified and are appointed by existing trustees. New trustees are provided with suitable material.

Organisational structure

The trustees meet several times per year, as and when necessary. They are responsible for the strategic policy and direction of the charity. The day to day responsibility for the provision of services rests with the Secretary.

Trust for Research and Education on the Arms Trade

Trustees' Report

For the Year Ended 30 June 2022

OBJECTIVES

The object of the charity is to promote research into the international arms trade and its effects, and to disseminate the results of such research.

ACTIVITIES

The trustees, in planning the activities for the year, have had due regard to Charity Commission guidance on public benefit.

The charity derives its income mainly from grant-giving bodies and from legacies and donations from supporters. The principal funding sources in the year are given in notes 2 and 3 of the accounts. The charity fulfils its objects primarily through awarding grants to appropriate organisations. The main beneficiary is the Campaign Against Arms Trade (CAAT).

During the year grants of £272,362 (2021 £334,246) were awarded to CAAT. Other grants awarded are as shown in Note 4 of the accounts.

FINANCIAL REVIEW

Unrestricted funds have decreased by £25,571 which have been subtracted from unrestricted funds brought forward, resulting in £105,909 (2021 £131,480) to carry forward. Restricted funds have increased by £15,031 which have been added to restricted funds brought forward, resulting in £23,934 (2021 £8,903) to carry forward.

RESERVES POLICY

Free Reserves are unrestricted funds £105,909 less designated funds £45,480, that is £60,429. The trustees have developed the following policy with respect to reserves:

(a) Running costs £5,000

Including payment for office space which we use, payment for management and other work carried out directly on TREAT's behalf and for the purchase or hire of resources used by TREAT or on TREAT's behalf. ***We have agreed that reserves are required to ensure we are able to pay for office space for one year, and to have one year's funding for all other items.***

(b) Continuing Work £20,000

This includes items of work which TREAT is already committed to funding and would wish to continue, including grants made to CAAT and other bodies for ongoing work. ***We have agreed that reserves are required to ensure we have one year's funding for these items.***

(c) Working Capital £10,000

This should be sufficient to ensure that we have the necessary finances to allow for a planned process of funding projects in accordance with our Donation Policy (rather than having to wait until funds arrive before any new projects can be funded). There should also be sufficient funds available to cover small urgent calls on TREAT as a funding body and to allow us to develop our funding strategy by proactively seeking new projects which we would wish to fund. ***We have agreed that a sum of £10,000 is at present appropriate as a guideline figure, but that this should be reviewed periodically.***

The foregoing would indicate that the approximate level of our reserves should normally be in the region of £35,000. As at 30 June 2022 they stood at £60,429.

RISK MANAGEMENT

The trustees have identified the major risks to which the charity is exposed. These are reviewed annually and minimised as far as possible.

Approved by the trustees on 5 May 2023 and signed on their behalf by:


Jon Nott
Trustee and Secretary

INDEPENDENT EXAMINER'S REPORT

To the Trustees of Trust for Research and Education on the Arms Trade

I report on the accounts of the Trust for the year ended 30 June 2022 which are set out on pages 4 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Harry Nicolaou FCA FCCA
Independent examiner
of
Harry Nicolaou & Co Limited

21 Brendon Way
Enfield
EN1 2LF

5 May 2023

Trust for Research and Education on the Arms Trade

Statement of Financial Activities

For the year ended 30 June 2022

				2022	2021
	Note	Unrestricted funds	Restricted funds	Total funds	Total funds
		£	£	£	£
Income from:					
Donations and legacies	2	17,121	34,134	51,255	16,915
Charitable activities					
Grants	3	-	257,290	257,290	189,883
Investments					
Bank interest		257	-	257	509
Total income		17,378	291,424	308,802	207,307
Expenditure on:					
Charitable activities					
Grants to beneficiaries	4	38,372	259,790	298,162	344,746
Support costs	5	400	-	400	400
Governance costs	5	4,177	16,603	20,780	3,549
Total resources expended		42,949	276,393	319,342	348,695
Net deficit for the year and net movement of funds	8	(25,571)	15,031	(10,540)	(141,388)
RECONCILIATION OF FUNDS					
Total funds brought forward 30 June 2021		131,480	8,903	140,383	281,771
Total funds carried forward 30 June 2022	10	105,909	23,934	129,843	140,383

Trust for Research and Education on the Arms Trade

Balance Sheet

As at 30 June 2022

	Note	2022 £	2021 £
Current assets			
Cash at bank and in hand		190,870	142,283
		190,870	142,283
Creditors: Amounts falling due within one year	9	(61,027)	(1,900)
Net current assets and net assets	10	129,843	140,383
The funds of the charity:			
Unrestricted funds: General funds		60,429	116,000
Designated funds		45,480	15,480
	11	105,909	131,480
Restricted funds	12	23,934	8,903
		129,843	140,383

Approved by the trustees on 5 May 2023 and signed on their behalf by:



Jon Nott
Trustee

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

1. Accounting policies

Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these accounts and have decided that the charity is able to continue as a going concern.

Income

Income is received by way of donations, grants and legacies and is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably. Expenditure is inclusive of VAT. Grants to beneficiaries include grants agreed for payment in future periods.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fund accounting

Restricted funds are grants, donations and legacies which are to be used for specific purposes as laid by the donor. Expenditure which meets these criteria is charged to the fund.

Designated funds are unrestricted funds put aside by the trustees for specific purposes.

Unrestricted funds are grants, donations and legacies receivable for the objects of the charity without further specified purpose and are available as general funds.

Creditors

Creditors and provisions are recognised where the charity 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 discounts due.

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

2. Donations and legacies received

	2022 £	2021 £
Unrestricted:		
Donations	7,121	9,337
Legacies	10,000	7,190
	17,121	16,527
Restricted:		
Donations	1,370	388
Legacies	32,764	-
	34,134	388
	51,255	16,915

3. Grants received

	2022 £	2021 £
Restricted:		
The Joseph Rowntree Charitable Trust	89,790	57,750
Tolkien Trust	145,000	50,000
Serve All Trust	10,000	10,000
Polden Puckham	10,000	-
W F Southall Trust	2,500	2,500
Sigrid Rausing Charitable Trust	-	50,000
Cadbury Trust	-	1,000
Network for Social Change	-	18,633
	257,290	189,883

Continued

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

4. Grants to beneficiaries

	Unrestricted funds £	Joseph Rowntree Charitable Trust Restricted £	Tolkien Trust Restricted £	Serve All Trust Restricted £	Polden Puckham Restricted £	W F Southall trust Restricted £	Total restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Institutional grants									
Grants awarded to CAAT:									
For research programme	-	27,750	50,000	-	-	-	77,750	77,750	72,000
For the cost of the European Network Against Arms Trade's employment of an EU Programme Officer	15,000	22,040	-	-	10,000	-	32,040	47,040	35,000
For the European Network Against Arms Trade's research project	-	-	-	-	-	-	-	-	18,633
For its worker in Scotland	-	22,500	-	-	-	-	22,500	22,500	22,500
For its charitable work	-	17,500	75,000	5,000	-	-	97,500	97,500	120,764
For reference materials	2,572	-	-	-	-	-	-	2,572	5,349
For Training & Events	-	-	5,000	-	-	-	5,000	5,000	15,000
For Outreach	-	-	5,000	-	-	-	5,000	5,000	15,000
For Browsers	-	-	10,000	5,000	-	-	15,000	15,000	20,000
For Winding Up Reserve	-	-	-	-	-	-	-	-	10,000
	17,572	89,790	145,000	10,000	10,000	-	254,790	272,362	334,246
Other grants awarded:									
Drone Wars UK - for its research programme and work	-	-	-	-	-	5,000	5,000	5,000	-
Shoal Collective - for its work on Turkish arms companies and the international companies supplying arms to Turkey	5,000	-	-	-	-	-	-	5,000	-
Omega - for database development	500	-	-	-	-	-	-	500	500
Declassified Media - for Warton film project	-	-	-	-	-	-	-	-	5,000
Corruption Watch - Corruption Tracker and UK Undredacted	10,000	-	-	-	-	-	-	10,000	5,000
WRI - for their work on arms sales to West Papua	5,000	-	-	-	-	-	-	5,000	-
ICES - for conference participation	300	-	-	-	-	-	-	300	-
	38,372	89,790	145,000	10,000	10,000	5,000	259,790	298,162	344,746

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

5. Support and governance costs

	2022 £	2021 £
Expenditure incurred on:		
Administration overheads, postage etc	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

An annual payment of £2,000, as shown above, is made to Campaign Against Arms Trade. This is a contribution to administrative overheads provided by CAAT including photocopying of minutes and other trustees' papers, staff time in preparing, postage, etc.

In the opinion of the trustees, 20% represents the support costs of grant-making from unrestricted funds and 80% of the above costs are attributable to the governance of the charity.

Support costs	(20%)	<u>400</u>	<u>400</u>
Governance costs:	(80%)	1,600	1,600
	Independent examination	1,900	1,900
	*Legal fees	16,603	-
	Other	677	49
		<u>20,780</u>	<u>3,549</u>

Legal fees paid from the Swash restricted fund have been incurred in relation to securing TREAT'S interests as residuary beneficiary of the Estate.

6. Trustees' remuneration and expenses

The trustees received no remuneration during the year (year to 30 June 2021: Nil) and no expenses were reimbursed to them (year to June 2021: Nil).

7. Taxation

Trust for Research and Education on the Arms Trade is a registered charity applying all its income for charitable purposes and consequently is not liable to direct taxation.

8. Net outgoing resources for the year

		2022 £	2021 £
This is stated after charging:			
Fees payable to the Independent Examiner for:			
	Accountancy	1,100	1,100
	Independent Examination	800	800
	Total	<u>1,900</u>	<u>1,900</u>

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,327	-
Other creditors	59,700	1,900
	61,027	1,900

10. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Cash at bank and in hand	141,209	49,661	190,870
Creditors of not more than one year	(35,300)	(25,727)	(61,027)
Net assets at 30 June 2022	105,909	23,934	129,843

11. Unrestricted funds

	At 30 June 2021 £	Incoming resources £	Outgoing resources £	At 30 June 2022 £
General funds	116,000	17,378	(42,949)	90,429
Transfer to Designated funds	-	-	(30,000)	(30,000)
	116,000	17,378	(72,949)	60,429
Designated funds				
Shadow World Investigations (formerly Corruption Watch) - for its project "A Very British Kleptocracy"	15,480	-	-	15,480
Transfer from General funds	-	30,000	-	30,000
	15,480	30,000	-	45,480
	131,480	47,378	(72,949)	105,909

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2022

12. Statement of restricted funds

Donor	Joseph Rowntree Charitable Trust £	Tolkien Trust £	Serve All Trust £	Polden Puckham £	W F Southall Trust £	A Lacey restricted legacy £	Willy Bach restricted legacy £	Reena Partridge restricted legacy	*Swash restricted legacy	Various restricted other legacies and donations £	Total restricted funds 2022	Total restricted funds 2021
Balance at 30 June 2021	-	-	-	-	2,500.00	2,500.00	-	-	-	3,901.50	8,901.50	132,527.85
Incoming resources from donors	89,790.00	145,000.00	10,000.00	10,000.00	2,500.00	-	10,000.00	22,764.00	-	1,370.00	291,424.00	190,270.50
Resources expended	(89,790.00)	(145,000.00)	(10,000.00)	(10,000.00)	(5,000.00)	-	-	-	(16,603.00)	-	(276,393.00)	(313,896.85)
Balance at 30 June 2022	-	-	-	-	-	2,500.00	10,000.00	22,764.00	(16,603.00)	5,271.50	23,932.50	8,901.50

*The Swash legacy has been included as a restricted fund even though it is in deficit because restricted income is anticipated after the year end to cover the deficit.

All other restricted funds have been expended for the purposes set out in Note 4, being the purposes for which they were given.