

Charity No. 328694

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

Report and Accounts

For the year ended 30 June 2021

**Unit 4
5-7 Wells Terrace
Finsbury Park
London N4 3JU**

Trust for Research and Education on the Arms Trade

Trustees' Report

For the Year Ended 30 June 2021

The trustees present their report and accounts of the charity for the year ended 30 June 2021.

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 4, 5-7 Wells Terrace, Finsbury Park, London N4 3JU

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
Ann Feltham Secretary to 11 November 2020 and trustee to 31 January 2021
Jon Nott Secretary (From 11 November 2020)
Nicholas Gilby (To 4 January 2022)
Samantha Rimmer (To 17 August 2020)
Robert Spain
Anna Stavrianakis

Independent Examiner Harry Nicolaou FCA FCCA of Harry Nicolaou & Co Limited
Chartered Accountants
21 Brendon Way, Enfield EN1 2LF

Bankers The Co-operative Bank
1 High Street, Islington, London N1 9TR

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 once a year and 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 2021

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 £334,246 (2020 £273,842) were awarded to CAAT. Other grants awarded are as shown in Note 4 of the accounts.

FINANCIAL REVIEW

Unrestricted funds have decreased by £17,762 which have been subtracted from unrestricted funds brought forward, resulting in £131,480 (2020 £149,242) to carry forward. Restricted funds have decreased by £123,626 which have been subtracted from restricted funds brought forward, resulting in £8,903 (2020 £132,529) to carry forward.

RESERVES POLICY

Reserves are unrestricted funds £131,480 less designated funds £15,480, that is £116,000. 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 2021 they stood at £116,000.

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 28 MARCH 2022 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 2021 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

14 April 2022

Trust for Research and Education on the Arms Trade

Statement of Financial Activities

For the year ended 30 June 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income from:					
Donations and legacies	2	16,527	388	16,915	116,270
Charitable activities					
Grants	3	-	189,883	189,883	342,726
Investments					
Bank interest		509	-	509	582
Total income		17,036	190,271	207,307	459,578
Expenditure on:					
Charitable activities					
Grants to beneficiaries	4	30,849	313,897	344,746	317,118
Support costs	5	400	-	400	400
Governance costs	5	3,549	-	3,549	3,636
Total resources expended		34,798	313,897	348,695	321,154
Net (deficit)/income for the year and net movement of funds	8	(17,762)	(123,626)	(141,388)	138,424
RECONCILIATION OF FUNDS					
Total funds brought forward 30 June 2020		149,242	132,529	281,771	143,347
Total funds carried forward 30 June 2021	10	131,480	8,903	140,383	281,771

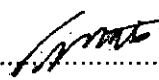
Trust for Research and Education on the Arms Trade

Balance Sheet

As at 30 June 2021

	Note	2021 £	2020 £
Current assets			
Cash at bank and in hand		142,283	283,721
		<u>142,283</u>	<u>283,721</u>
Creditors: Amounts falling due within one year	9	(1,900)	(1,950)
Net current assets and net assets	10	<u>140,383</u>	<u>281,771</u>
 The funds of the charity:			
Unrestricted funds: General funds		116,000	118,762
Designated funds		<u>15,480</u>	<u>30,480</u>
	11	131,480	149,242
Restricted funds	12	8,903	132,529
		<u>140,383</u>	<u>281,771</u>

Approved by the trustees on 28 MARCH 2022 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 2021

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 2021

2. Donations and legacies received

	2021 £	2020 £
Unrestricted:		
Donations	9,337	3,676
Legacies	7,190	74,500
	16,527	78,176
Restricted:		
Donations	388	3,330
Legacy from Clare Sutcliffe	-	34,764
	388	38,094
	16,915	116,270

3. Grants received

	2021 £	2020 £
Restricted:		
The Joseph Rowntree Charitable Trust	57,750	86,250
Sigrid Rausing Charitable Trust	50,000	50,000
Tolkien Trust	50,000	140,000
Serve All Trust	10,000	10,000
Cadbury Trust	1,000	-
Network for Social Change	18,633	18,700
W F Southall Trust	2,500	-
Open Society Foundation	-	37,776
	189,883	342,726

Continued

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2021

4. Grants to beneficiaries

	Unrestricted funds	Joseph Rowntree Charitable Trust	Sigrid Rausing Charitable Trust	Tolkien Trust	Serve All Trust	Cadbury Trust	Network for Social Change	Other	Total restricted funds 2021	Total funds 2021	Total funds 2020
	£	Restricted £	Restricted £	Restricted £	Restricted £	Restricted £	Restricted £	Restricted £	£	£	£
Institutional grants											
Grants awarded to CAAT:											
For research programme	-	37,000	15,000	20,000	-	-	-	-	72,000	72,000	122,666
For the cost of the European Network Against Arms Trade's employment of an EU Programme Officer	15,000	20,000	-	-	-	-	-	-	20,000	35,000	35,000
For the European Network Against Arms Trade's research project	-	-	-	-	-	-	18,633	-	18,633	18,633	-
For its worker in Scotland	-	22,500	-	-	-	-	-	-	22,500	22,500	7,500
For its charitable work	-	-	5,000	75,000	5,000	1,000	-	34,764	120,764	120,764	82,700
For reference materials	5,349	-	-	-	-	-	-	-	-	5,349	5,976
For its new website	-	-	-	-	-	-	-	-	-	-	20,000
For Training & Events	-	-	10,000	5,000	-	-	-	-	15,000	15,000	-
For Outreach	-	-	10,000	5,000	-	-	-	-	15,000	15,000	-
For Browsers	-	-	10,000	5,000	5,000	-	-	-	20,000	20,000	-
For Winding Up Reserve	-	-	-	10,000	-	-	-	-	10,000	10,000	-
	20,349	79,500	50,000	120,000	10,000	1,000	18,633	34,764	313,897	334,246	273,842
Other grants awarded:											
Drone Wars UK - for its research programme and work	-	-	-	-	-	-	-	-	-	-	37,776
Shoal Collective - for its work on Turkish arms companies and the international companies supplying arms to Turkey	-	-	-	-	-	-	-	-	-	-	500
Omega - for database development	500	-	-	-	-	-	-	-	-	500	5,000
Declassified Media - for Warton film project	5,000	-	-	-	-	-	-	-	-	5,000	-
Corruption Watch - Corruption Tracker	5,000	-	-	-	-	-	-	-	-	5,000	-
	30,849	79,500	50,000	120,000	10,000	1,000	18,633	34,764	313,897	344,746	317,118

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2021

5. Support and governance costs

	2021 £	2020 £
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	1,950
	Trustee travelling expenses	-	56
	Other	49	30
		<u>3,549</u>	<u>3,636</u>

6. Trustees' remuneration and expenses

The trustees received no remuneration during the year (year to 30 June 2020: Nil) and no expenses were reimbursed to them (year to June 2020: £55.80).

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 incoming/(outgoing) resources for the year

	2021 £	2020 £
This is stated after charging:		
Fees payable to the Independent Examiner for:		
Accountancy	1,100	1,150
Independent Examination	800	800
Total	<u>1,900</u>	<u>1,950</u>

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2021

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Independent Examiners' fees	1,900	1,950
	<u>1,900</u>	<u>1,950</u>

10. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Cash at bank and in hand	133,380	8,903	142,283
Creditors of not more than one year	(1,900)	-	(1,900)
Net assets at 30 June 2021	<u>131,480</u>	<u>8,903</u>	<u>140,383</u>

11. Unrestricted funds

	At 1 July 2020	Incoming resources	Outgoing resources	At 30 June 2021
	£	£	£	£
General funds	<u>118,762</u>	<u>17,036</u>	<u>(19,798)</u>	<u>116,000</u>
Designated funds				
CAAT - £15,000 a year for 3rd year of a 3 year grant to co-fund the ENAAT's EU military research officer	15,000	-	(15,000)	-
Shadow World Investigations (formerly Corruption Watch) - for its project "A Very British Kleptocracy"	15,480	-	-	15,480
	<u>30,480</u>	<u>-</u>	<u>(15,000)</u>	<u>15,480</u>
	<u>149,242</u>	<u>17,036</u>	<u>(34,798)</u>	<u>131,480</u>

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2021

12. Statement of restricted funds

Donor	Joseph Rowntree Charitable Trust £	Stigrid Rasmussen Charitable Trust £	Tofkjen Trust £	Serve All Trust £	Cadbury Trust £	Network for Social Change £	W F Southall Trust £	A Lacey restricted legacy £	Clare Butcliffe restricted legacy £	Various restricted donations and legacies £	Total restricted funds 2021	Total restricted funds 2020
Balance at 30 June 2020	21,750.00	-	70,000.00	-	-	-	-	2,500.00	34,763.85	3,514.00	132,527.85	27,350.60
Incoming resources from donors	57,750.00	50,000.00	50,000.00	10,000.00	1,000.00	18,633.00	2,500.00	-	-	387.50	190,270.50	380,819.61
Resources expended	(79,500.00)	(50,000.00)	(120,000.00)	(10,000.00)	(1,000.00)	(18,633.00)	-	-	(34,763.85)	-	(313,896.85)	(275,642.36)
Balance at 30 June 2021	-	-	-	-	-	-	2,500.00	2,500.00	-	3,901.50	8,901.50	132,527.85

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