

Charity No. 328694

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

Report and Accounts

For the year ended 30 June 2017

**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 2017

The trustees present their report and accounts of the charity for the year ended 30 June 2017.

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 apart from Kat Barton, continue to serve to the date of this report.

Kat Barton (resigned 19 January 2017)
Helen Close
Chris Cole
Ann Feltham (Secretary)
Nicholas Gilby
Gordon Slater
Anna Stavrianakis
Peter Wicks

Independent Examiner

Harry Nicolaou FCA FCCA of Harry Nicolaou & Co Limited
Chartered Accountants
38b Stroud Green Road, London, N4 3ES

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 2017

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 £222,308 were awarded to CAAT. Other grants awarded are as shown in Note 4 of the accounts.

FINANCIAL REVIEW

Unrestricted funds have decreased by £32,250 which have been deducted from unrestricted funds brought forward, resulting in £51,238 to carry forward. Restricted funds have all been utilised so there are no restricted funds to carry forward.

RESERVES POLICY

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**

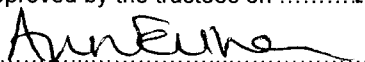
This should be sufficient to ensure that we have the necessary finances to allow for a planned process of funding projects in accordance with our Donation Policy (rather than having to wait until funds arrive before any new projects can be funded). There should also be sufficient funds available to cover 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 2017 they stood at £51,238.

RISK MANAGEMENT

The trustees have identified the major risks to which the charity is exposed and have established systems to ensure that these risks are reviewed and are minimised as far as possible.

Approved by the trustees on 18th January 2018 and signed on their behalf by:


Ann Feltham

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 2017 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

38b Stroud Green Road
London N4 3ES

8 February 2018

Trust for Research and Education on the Arms Trade

Statement of Financial Activities

For the year ended 30 June 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Income from:					
Donations and legacies	2	26,221	3,285	29,506	58,571
Charitable activities					
Grants	3	-	199,267	199,267	157,326
Investments					
Bank interest		50	-	50	75
Total income		26,271	202,552	228,823	215,972
Expenditure on:					
Charitable activities					
Grants to beneficiaries	4	54,868	202,552	257,420	169,809
Support costs	5	400	-	400	250
Governance costs	5	3,253	-	3,253	2,359
Total resources expended		58,521	202,552	261,073	172,418
Net income/(expenditure) for the year and net movement of funds	8	(32,250)	-	(32,250)	43,554
RECONCILIATION OF FUNDS					
Total funds brought forward 30 June 2016		83,488	-	83,488	39,934
Total funds carried forward 30 June 2017		51,238	-	51,238	83,488

Trust for Research and Education on the Arms Trade

Balance Sheet

As at 30 June 2017

	Note	2017 £	2016 £
Current assets			
Cash at bank and in hand		126,948	104,200
		<u>126,948</u>	<u>104,200</u>
Creditors: Amounts falling due within one year	9	(75,710)	(20,712)
Net current assets and net assets	10	<u>51,238</u>	<u>83,488</u>
The funds of the charity:			
Unrestricted funds		51,238	83,488
Restricted funds	11	-	-
		<u>51,238</u>	<u>83,488</u>

Approved by the trustees on 18th January 2018 and signed on their behalf by:



Ann Feltham
Trustee

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2017

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with Financial Reporting Standards for Smaller Entities (effective January 2015) and with Accounting and Reporting by Charities: Statement of Recommended Practice (FRSSE version) published on 16 July 2014.

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.

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 2017

2. Donations and legacies received

	2017	2016
	£	£
Unrestricted:		
Donations	13,115	8,431
Legacies	13,106	47,660
Restricted:		
Donations	785	2,480
Legacies	2,500	-
	29,506	58,571

3. Grants received

	2017	2016
	£	£
Restricted:		
The Joseph Rowntree Charitable Trust	39,867	26,867
Polden Puckham Charitable Foundation	22,000	20,000
Sigrid Rausing Charitable Trust	45,000	45,000
Tolkien Trust	75,000	25,000
Cadbury Trust	-	6,000
1970 Trust	3,900	3,000
Southall Trust	3,000	3,000
Serve All Trust	10,000	10,000
Flapjack	500	-
Allan and Nesta Ferguson Trust	-	4,000
Grassroots Foundation	-	14,459
	199,267	157,326

Continued

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2017

4. Grants to beneficiaries

Institutional grants

Grants awarded to CAAT:

For research programme
For ENAAT EU worker
For the cost of online data browsers
For charitable aspects of the Training and Events Co-ordinator's work
For its charitable work
For reference materials
For support costs
For charitable aspects of its universities work
For charitable aspects of the Events Co-ordinator's work
For charitable aspects of the Local Outreach Co-ordinator's work

	Unrestricted	Polden Puckham Charitable Foundation	Joseph Rowntree Charitable Trust	1970 Trust	Sigrid Rausing Charitable Trust	Tolken Trust	WFSouthall Trust	Serve All Trust	Other	Total 2017	Total 2016
	£	£	£	£	£	£	£	£	£	£	£
		Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted		
		5,000	22,000	2,400	-	10,000	3,000	-	2,500	44,900	53,500
		-	3,750	-	-	-	-	-	-	3,750	-
	30,000	2,000	-	-	-	-	-	-	-	32,000	12,000
	-	5,000	-	-	-	10,000	-	-	-	15,000	10,000
	-	-	-	-	45,000	50,000	-	10,000	785	105,785	19,480
	4,373	-	-	-	-	-	-	-	-	4,373	4,323
	-	-	-	1,500	-	5,000	-	-	-	6,500	-
	10,000	-	-	-	-	-	-	-	-	10,000	-
	-	-	-	-	-	-	-	-	-	-	15,000
	-	-	-	-	-	-	-	-	-	-	15,000
	44,373	12,000	25,750	3,900	45,000	75,000	3,000	10,000	3,285	222,308	129,303
	-	-	14,117	-	-	-	-	-	-	14,117	24,826
	-	10,000	-	-	-	-	-	-	-	10,000	10,000
	-	-	-	-	-	-	-	-	500	500	-
	3,500	-	-	-	-	-	-	-	-	3,500	-
	3,000	-	-	-	-	-	-	-	-	3,000	-
	495	-	-	-	-	-	-	-	-	495	-
	3,500	-	-	-	-	-	-	-	-	3,500	-
	-	-	-	-	-	-	-	-	-	-	4,900
	-	-	-	-	-	-	-	-	-	-	480
	-	-	-	-	-	-	-	-	-	-	300
	54,868	22,000	39,867	3,900	45,000	75,000	3,000	10,000	3,785	257,420	169,809

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2017

5. Support and governance costs

	2017 £	2016 £
Expenditure incurred on:		
Administration overheads, postage etc	2,000	1,250
	<u>2,000</u>	<u>1,250</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>250</u>
Governance costs:	(80%)	1,600	1,000
	Independent examination	1,500	1,200
	Trustee travelling expenses	153	147
	Bank charges	-	12
		<u>3,253</u>	<u>2,359</u>

6. Trustees' remuneration and expenses

The trustees received no remuneration. Travelling expenses of £153 were reimbursed to two trustees (2016: expenses reimbursed £147 to two trustees).

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

	2017 £	2016 £
This is stated after charging:		
Fees payable to the Independent Examiner for:		
Accountancy	800	600
Independent Examination	700	600
Total	<u>1,500</u>	<u>1,200</u>

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2017

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Grants and donations payable to beneficiaries	74,210	19,512
Independent Examiners' fees	1,500	1,200
	<u>75,710</u>	<u>20,712</u>

10. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Cash at bank and in hand	52,738	74,210	126,948
Creditors of not more than one year	(1,500)	(74,210)	(75,710)
Net assets at 30 June 2017	<u>51,238</u>	<u>-</u>	<u>51,238</u>

Continued

Trust for Research and Education on the Arms Trade

Notes to the Accounts

For the Year Ended 30 June 2017

11. Statement of restricted funds

Donor	Polden Puckham Charitable Foundation	Joseph Rowntree Charitable Trust	1970 Trust	Sigrid Rausing Charitable Trust	Tolkien Trust	W E Southall Trust	Serve All Trust	Other	Total 2017 £
Balance at 30 June 2016	-	-	-	-	-	-	-	-	-
Incoming resources from donors	22,000.00	39,867.00	3,900.00	45,000.00	75,000.00	3,000.00	10,000.00	3,785.00	202,552.00
Resources expended	(22,000.00)	(39,867.00)	(3,900.00)	(45,000.00)	(75,000.00)	(3,000.00)	(10,000.00)	(3,785.00)	(202,552.00)
Balance at 30 June 2017	-	-	-	-	-	-	-	-	-

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