

Financial Statements For The Period 15 July 2021 to 31 December 2022

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Officers and Advisers

Governing Document:	Trust Deed
Charity Registration No:	1195178 England & Wales.
Main Office:	Dickran and Seta Ouzounian Educational Trust PO Box 7628 London W1A 3YZ
Trustees:	Mr G Garabedian Mr B P Gulbenkian (Chairman)
Administrator:	Ms M Ovanessoff
Independent Financial Advisor:	Westminster Wealth Management 167 Fleet Street London EC4A 2EA
Investment Manager:	Rathbones Investment Management 8 Finsbury Circus London EC2M 7AZ
Bankers:	Coutts & Co. Ltd 440 The Strand London WC2R 0QS
Independent Examiner:	Hovnan Hampartsoumian BA, FCA Hovnan & Co Limited Chartered Accountants 106 Ashurst Road Cockfosters Barnet Herts EN4 9LG

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DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Trustees' Annual Report for the period 15 July 2021 to 31 December 2022

The Trustees present their first annual report and financial statements for the period 15 July 2021 to 31 December 2022. All subsequent reports and statements will cover a period of one year ending on 31 December. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

Objectives

The object of the Trust is the advancement of education in the UK of needy Armenian students from anywhere in the world including the furtherance of studies in music and the arts. To fulfil the Trust's objectives, the Trustees offer grants to needy students of Armenian origin studying in the UK.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. The grants made during the year have benefited the public in the further education of Armenian students studying in the UK.

Achievements in year (including financial review)

During this first period of activity, the Trustees awarded £72,000 to 13 students studying at various universities in the UK. Individual grants ranged from £3,000 to £10,000 per student. The Trust's income consists solely of dividends and capital growth of the investment portfolio with minor contributions from interest on bank deposits. The sale of securities during the period led to an overall capital loss of over £28k. After taking into account the value of securities sold, the asset portfolio lost about 9% of its value from the point at which the securities were originally purchased. Besides a small portion of cash, the portfolio represents the vast majority of the capital, or Trust Fund, so the net movement in funds was 9% downwards to £2.68 million.

Being the first period of operation, the Unrestricted Fund began the period at zero. The Fund ended the period £30k in the red before any transfer between funds, an outcome that was largely anticipated and planned. The Trustees were aware that The Benlian Trust, which shares the key aim of supporting Armenian university students in the UK, was experiencing financial difficulties. The Trustees felt it appropriate to take advantage of their power to spend the capital of the Trust and to take on a portion of the renewal beneficiaries of The Benlian Trust as the first cohort of beneficiaries.

The extent to which the Unrestricted Fund was in the red at the end of the period was not entirely expected. This is because the investment income forecast by the Investment Managers at the point when the Trustees set the budget, was 15% higher than the actual income turned out to be by the end of the period. Overall, the Trustees feel that the negative status of the Unrestricted Fund before any transfer between funds is a minor consideration and the objectives of the Trust were met in a highly satisfactory way during its first year of operation.

Structure, Governance and Management

The Charity is governed by a Trust Deed in settlement declared by the late Dick Haig and Seta Ouzounian on 24th November 1998. The Trust is an unincorporated association administered by two Trustees and one administrator as named on the officers and advisors page. Both the Trustees serve on a voluntary basis and receive no expenses. No staff are currently employed by the Trust. The self-employed administrator is paid.

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Trustees' Annual Report for the period 15 July 2021 to 31 December 2022

Investment Policy

The Trustees of the Charity have wide powers to invest the monies of the Charity as they think fit. They are advised on investment matters by Westminster Wealth Management LLP, who are led by the Trustees' guidance on requirements and risk. The Trust's investment portfolio is professionally managed by Rathbones Investment Management. The current portfolio is invested widely in terms of asset class, asset manager and security and on a global basis.

The Charity seeks to produce the best financial return within an acceptable level of risk. It adopts a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted grant-making expenditure, in the long term the real value of the Charity will still be maintained. To allow for volatility of capital values, the Trustees permit the manager to maintain at least one year's worth of budgeted grant in cash or lower risk liquid investments.

Reserves Policy

In terms of Charity Law, the Trust Fund is an expendable endowment. The trustees therefore have a duty to spend the income reserves generated from the Trust Fund within a reasonable time of receipt. However, scholarships to new beneficiaries are awarded on the basis that a student will be supported for each year of their degree course, subject to certain conditions being met. Therefore, in any particular year, the trustees will aim to maintain sufficient funds in the reserves to compensate for a potential drop in income in the years subsequent to each new award.

The Trust Fund consists solely of the original capital and capital gains/losses. Investment income is held in the Unrestricted Funds. In the long term, the Trustees will aim to keep charitable spending in line with net income, although they do have the power to spend the capital of the fund on charitable purposes if they so determine. The Trustees are aware that it will be difficult to fulfil the long-term aim in the short term, due to ongoing market volatility and the generally uncertain economic climate.

Risk Review

The Trustees have identified and assessed the major risks to which the Charity is exposed, in particular those related to the operation and finances of the Charity. They are satisfied that the Charity's exposure to these risks is at an acceptable level.

The Trustees are able to tolerate volatility of the capital value of the Charity, as long as the Charity is able to meet its short-term grant-making commitments through either income or liquid capital assets. With the backdrop of a war in Europe and the lingering impact of Brexit, Covid and the mini budget of the Truss government in September 2022, the markets have remained volatile.

Going Concern

The Trustees have a reasonable expectation that the Charity has adequate resources to be operational for the foreseeable future. For this reason they will adopt the going concern basis in preparing the financial statements.

Future Plans

The Trust intends to continue its central policy of distributing all income received to eligible beneficiaries in the form of grants in accordance with the terms of the Trust Deed.

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Trustees' Annual Report for the period 15 July 2021 to 31 December 2022

Responsibilities of Trustees

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 and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period.

In preparing the 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;
- make judgements and accounting 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; and
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulation and the provision of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on

14 July 2023

and signed on behalf of the Board



B P Gulbenkian
Trustee - Chairperson

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Independent examiner's report to the trustees of Dickran and Seta Ouzounian Educational Trust

I report on the accounts of the Trust for the period 15 July 2021 to 31 December 2022, which are set out on pages 5 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 Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities 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 general Directions given by the Charity Commission. 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 seeking explanations from the 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 material matters have come to my attention which gives me cause to believe that in any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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.



H Hampartsoumian BA, FCA
Hovnan & Co Limited
Chartered Accountants
106 Ashurst Road, Cockfosters,
Barnet, Herts. EN4 9LG
Date: 17/7/2023

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Statement of Financial Activities for the period 15 July 2021 to 31 December 2022

	Note	Unrestricted Funds Period 15.07.2021 to 31.12.2022 £	Endowment Funds Period 15.07.2021 to 31.12.2022 £	Total Funds Period 15.07.2021 to 31.12.2022 £
Income and endowments from:				
Gift of expendable endowment		-	3,017,619	3,017,619
Investment income	2	52,957	-	52,957
Other		206	-	206
Total income		<u>53,163</u>	<u>3,017,619</u>	<u>3,070,782</u>
Expenditure on:				
Cost of raising funds	3	-	35,320	35,320
Charitable activities	4, 5	82,904	-	82,904
Total expenditure		<u>82,904</u>	<u>35,320</u>	<u>118,224</u>
Net income/(expenditure) before investment gains/(losses)		(29,741)	2,982,299	2,952,558
Net gain/(losses) on Investments				
Realised gains/(losses) on investments		-	(28,573)	(28,573)
Unrealised gains/(losses) on investments	6	-	(247,205)	(247,205)
Net income/(expenditure)		<u>(29,741)</u>	<u>2,706,521</u>	<u>2,676,780</u>
Transfers between funds	10	29,741	(29,741)	-
Net movement in funds		<u>-</u>	<u>2,676,780</u>	<u>2,676,780</u>
Balance carried forward at 31 December 2022	11	<u>-</u>	<u>2,676,780</u>	<u>2,676,780</u>

Continuing operations

None of the Trust's activities were acquired or discontinued during the current period.

Total recognised gains and losses

The Trust has no recognised gains or losses other than the gains or losses for the current period.

The notes on pages 7 to 11 form part of these financial statements.

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Balance sheet as at 31 December 2022

	Notes	31.12.2022 £
Fixed assets		
Investments	6	2,660,493
		<u>2,660,493</u>
Current assets		
Cash at bank		33,898
		<u>33,898</u>
Liabilities: Amounts falling due within one year	7	17,611
Net current assets		<u>16,287</u>
Total assets less current liabilities		<u><u>2,676,780</u></u>
Represented by:		
Endowment funds	11	2,676,780
Unrestricted funds	11	-
		<u><u>2,676,780</u></u>

Approved and authorised for issue by the Trustees on *14 July 2023* and signed on its behalf.



B P Gulbenkian
Trustee - Chairperson

The notes on pages 7 to 11 form part of these financial statements.

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Notes to the financial statements for the period 15 July 2021 to 31 December 2022

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are 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 Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011. Exemption has been taken from preparing a cash flow statement under 'Section 7 Statement of Cash Flows' as permitted by FRS 102 on the grounds that the Trust qualifies as a small entity.

The accounts have been prepared under the historical cost convention.

(b) Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are 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 monetary value of income can be measured reliably.

(c) Investment income

Income from investments is included in the statement of financial activities in the year in which it is receivable.

(d) Cost of raising funds

The cost of generating funds consists of investment management and certain legal and professional fees charged on an accruals basis including VAT

(e) Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs. Included within this category are costs associated with the independent examination, and costs of complying with constitutional and statutory requirements.

(f) Grants

Applications for grants are considered by the Trustees. They are accounted for on an accruals basis where the third party has a reasonable expectation that they will receive the grant. Priority is given by the Trustees to undergraduate students.

(g) Fixed asset investments

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(h) Funds

Unrestricted funds are those general funds received and utilised in furtherance of the objects of the charity. Funds where the capital is held to generate income for charitable purposes are accounted for as endowment funds (Trust Fund). The terms of the endowment allow the capital

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of the fund to be spent on the furtherance of the charity's purposes if the trustees so determine, the fund is therefore accounted for as an expendable endowment.

(i) Taxation policy

The charity is a registered charity and is exempt from income, corporation tax and capital gains tax where the income and gains are used for charitable purposes.

2. Investment income

	Unrestricted Fund 31.12.2022	Endowment Fund 31.12.2022	Total Funds 31.12.2022
	£	£	£
UK equities	17,376	-	17,376
UK fixed interest securities	4,770	-	4,770
UK alternatives	6,987	-	6,987
Overseas equities	19,094	-	19,094
Overseas fixed interest securities	1,516	-	1,516
Interest on cash deposits	3,214	-	3,214
	<u>52,957</u>	<u>-</u>	<u>52,957</u>

3. Cost of raising funds

	Unrestricted Fund 31.12.2022	Endowment Fund 31.12.2022	Total Funds 31.12.2022
	£	£	£
Investment management costs	-	20,175	20,175
Financial advisor fees	-	15,145	15,145
	<u>-</u>	<u>35,320</u>	<u>35,320</u>

4. Grants

	Unrestricted Fund 31.12.2022	Endowment Fund 31.12.2022	Total Funds 31.12.2022
	£	£	£
University scholarships	72,000	-	72,000
	<u>72,000</u>	<u>-</u>	<u>72,000</u>

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5. Expenditure on charitable activities

	Unrestricted Fund 31.12.2022 £	Endowment Fund 31.12.2022 £	Total Funds 31.12.2022 £
Grants (Note 4)	72,000	-	72,000
Admin and accountancy	8,250	-	8,250
Bank charges	30	-	30
Independent Examiner	2,160	-	2,160
Office expense	464	-	464
	<u>82,904</u>	<u>-</u>	<u>82,904</u>

6. Fixed assets investments

	31.12.2022 £
Quoted investment	
Market value at 15 July 2021	-
Additions	3,122,547
Disposals at opening market value	(214,849)
Net unrealised gain/(loss) in the period	(247,205)
Market value at 31 December 2022	<u>2,660,493</u>
Historical cost at 31 December 2022	<u>2,907,698</u>

Investments at market value	UK £	Overseas £	Total 31.12.2022 £
Equities	723,006	1,179,377	1,902,383
Fixed interest securities	159,769	48,480	208,249
Alternatives	413,773	-	413,773
Cash held within investment portfolio	136,088	-	136,088
Total	<u>1,432,635</u>	<u>1,227,857</u>	<u>2,660,493</u>

Material investments

	31.12.2022 £
Treasury 7/8% Green Gilt	52,521
Astrazeneca Plc	61,699
Shell Plc	74,432
Ishares VII Plc	83,250
Baillie Gifford Jpn Tst	68,490
Man Fund Mgmt (UK)	50,860
JP Morgan Emerg Mkts Inv Tst	71,110

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7. Liabilities **31.12.2022**
£

Amounts falling due within one year:

Accruals **17,611**

8. Transactions with Trustees and connected persons

The Trustees serve on a voluntary basis and receive no remuneration or benefits. No trustee expenses were incurred by the Charity. The day-to-day running of the Trust is contracted to a self-employed administrator who is paid. The Charity does not have any employees.

9. Employees

31.12.2022
£

The average monthly number of employees during the year was: -

-

There were no employees whose annual remuneration was £60,000 or more.

10. Fund Transfers

During the period the trustees exercised their power to convert £29,741 from the expendable endowment fund to income to be spent on the furtherance of the charity's purposes.

11. Analysis of Charitable Funds

Funds	Balance at 15.07.21 £	Share of Net Income £	Grants Paid £	Transfers £	Gains/ (Losses) £	Balance at 31.12.22 £
Expendable Endowment	-	2,982,299	-	(29,741)	(275,778)	2,676,780
Unrestricted Fund	-	42,259	(72,000)	29,741	-	-
Total Funds	-	3,024,558	(72,000)	-	(275,778)	2,676,780

The expendable endowment was established in 2021 by the bequest from the late Dickran and Seta Ouzounian of £3,017,619 creating the capital fund of the Dickran and Seta Ouzounian Educational Trust. The Trustees have the power to spend the capital of the fund on the furtherance of the charity's purposes.

DICKRAN AND SETA OUZOUNIAN EDUCATIONAL TRUST

Notes to the financial statements for the period 15 July 2021 to 31 December 2022

12. Analysis of funds by assets and liabilities

	Unrestricted Funds 31.12.2022	Endowment Funds 31.12.2022	Total 31.12.2022
Assets	-	2,694,391	2,694,391
Liabilities	-	(17,611)	(17,611)
	<u>-</u>	<u>2,676,780</u>	<u>2,676,780</u>