

Charity number: 215352

Saint Sarkis Charity Trust

Trustees' report and financial statements

for the year ended 31 March 2021

Saint Sarkis Charity Trust

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Saint Sarkis Charity Trust

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2021

Trustees	Rita Alice Vartoukian Teni Shahiean Alexander D'Janoeff Martin Sarkis Essayan, Chairman
Charity registered number	215352
Principal office	50 Hoxton Square London N1 6PB
Independent auditors	Kreston Reeves LLP Chartered Accountants 2nd Floor 168 Shoreditch High Street London E1 6RA
Bankers	Lloyds Bank P.O. Box 1000 BX1 1LT
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Investment Advisors	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

Saint Sarkis Charity Trust

Trustees' report for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of Saint Sarkis Charity Trust ('the charity') for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the charity comply with the accounting policies set out in notes to the accounts and comply with the Charities Act 2011 and the Accounting Reporting by Charities: 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 and activities

a. Policies and objectives

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the donation making policy for the period.

The principal objectives of the Trust are the support of the Armenian Church of St. Sarkis in London and the Gulbenkian Library at the Armenian Patriarchate in Jerusalem. In addition, the Trustees support other charities concerned with the Armenian Community in the UK and abroad. To the extent that funds are available, grants are also made to charities developing innovative projects to support prisoners and their families in the UK.

b. Grant-making policies

The Trustees have established its grant making policy to achieve its objects for the public benefit. The Trust makes grants to the Armenian Church of St. Sarkis to help support the Church's running costs and fund renovation and capital works. The Trustees until recently have met regularly with the Trustees of the Armenian Church to assess the level of grants to support the church's net running costs. The Trustees, together with the Saint Sarkis Church Parish Council and the Primate, raised concerns with the Charities Commission about some substantial changes proposed by the Trustees of the Armenian Church to their governing document and the lack of consultation about these changes with the Parish, Charity Trust, and Primate. Until this is resolved the Charity Trustees have suspended all payments to the Armenian Church other than the £2,000 pa minimum.

The Trust also provides grants to the Gulbenkian Library at the Armenian Patriarchate in Jerusalem to fund the running and capital costs of maintaining the collection of over 120,000 specialised works, a large collection of manuscripts (about 4,000), a similar number of Armenian incunabula (early printed books), a historical collection of newspapers and periodicals (about 350 titles) in the Armenian, Arab and Ottoman languages from the 19th century onwards, and a collection of archival documents dating back to the 14th century. A yearly grant is paid to the curator of the collection and applications for renovation and requests for funding for capital works are submitted to the Trustees for consideration.

The Trust also provides grants to other charities concerned with the Armenian Community in the UK and abroad. Applications are sent to the Secretary to the Trust explaining the nature of the project and including information on the exact purpose of the grant, the amount required, a budget, the latest annual report and audited accounts and plans for monitoring and evaluating the work.

Applications received from organisations outside the UK are conditional on the Trustees receiving progress and final reports on the project, photographic evidence and final project accounts certified by an internationally recognised organisation. The Trust also uses its connection with the Armenian Communities Department of the Calouste Gulbenkian Foundation to identify Armenian organisations outside the UK in need of support and to monitor funding granted.

To the extent that funds are available, the Trust also makes grants to organisations developing innovative projects to support prisoners and their families in the UK. Rather than invite applications for grants, the Trustees decided to work with one partner, the Barrow Cadbury Trust, who proactively identify and recommend projects for funding to the Trustees.

Saint Sarkis Charity Trust

Trustees' report (continued) for the year ended 31 March 2021

Achievements and performance

a. Review of activities

As regards its principal objectives, the Trust has only been able to support the Armenian Church of St. Sarkis in London to a limited extent due to the difficulties referred to above but has been able to continue to support the Gulbenkian Library at the Armenian Patriarchate in Jerusalem. The year has been a particularly difficult one for Armenia due to Covid-19 and the Artsakh invasion. The Trust has been pleased to make several significant grants to help with these two issues. Six grants amounting to £96,852 (2020: 6 grants amounting to £56,098) were made for charitable objectives connected with Armenia or Armenians. The Trust continues to use its links with the Armenian Communities Department of the Calouste Gulbenkian Foundation to help with identifying and monitoring suitable Armenian projects.

The Trust continues to give grants to some non-Armenian UK charities when there are sufficient funds available. These grants are awarded to UK charities developing innovative projects to support prisoners and their families in the UK, as defined on the website. During the period, the Trust provided £32,000 (2020: £58,000) through the Barrow Cadbury Trust.

The Charity does not carry out significant fundraising activities.

b. Key Financial Performance Indicators

Each year the Trustees plan to use a portion of their income and capital gains received from the Trust's endowed funds to (i) fund the Armenian Church of St Sarkis, (ii) make grants for the support of the library in Jerusalem, (iii) make grants to support the Armenian community, (iv) and fund a small number of non Armenian projects.

The key financials for the current and previous year are:

	2020/21		2019/20	
	No. of grants	£	No. of grants	£
Investment income				
Dividends		143,876		183,840
Less: Management fees		(32,727)		(31,385)
		<u>111,149</u>		<u>152,455</u>
Grants				
Armenian Church	2	2,000	3	13,415
Armenian projects	6	96,852	6	56,098
Jerusalem Library	1	8,762	3	27,478
Other projects	2	32,000	2	58,000
Total grants	<u>11</u>	<u>139,614</u>	<u>14</u>	<u>154,991</u>

c. Plans for Future Periods

The Trust will continue to support the ongoing running costs and periodic capital costs of the Armenian Church of St Sarkis Church, whilst the church builds its own income from rent and contributions from the congregation, once the issues referred to above are resolved.

The Trust will continue to support the Gulbenkian Library at the Armenian Patriarchate in Jerusalem and suitable Armenian projects. The Trust will also continue to give grants to some non-Armenian UK charities when sufficient funds are available.

**Trustees' report (continued)
for the year ended 31 March 2021**

Achievements and performance (continued)

d. Financial Review

The Trustees deem the results of the Statement of Financial Activities to be satisfactory and in line with their expectations. The amount of grants awarded for the year were £139,614 compared to £154,991 for last year. The Trust's net incoming resources for the year, before recognised gains and losses, were (£39,119) (2020: £8,519). All investments have been valued at their mid-market value as at 31 March 2021. The Trust generated a net gain of £2,735,511 on its investments (2020 net capital loss £932,037).

e. Investment Policy and Performance

The Trust operates a balanced income and capital approach to the investment of the Trust's permanent endowment in accordance with the terms of the Charity Commission Scheme made on 26th March 1997 and the Trustee Act 2000.

Delegation

The Trustees have delegated the management of the endowed funds ("the portfolio") to a fund manager Cazenove, who, in purchasing, retaining, or selling investments for the Trust, is required to have regard to the need for diversification and the Trustees' obligation to ensure that each investment is in the best interests of the Trust. This appointment is reviewed regularly at the same time that the investment policy is reviewed. The Trustees have delegated the oversight of the portfolio management and bi annual review to two delegated Trustees: Mr Alexander C B D'Janoeff and Mr. Martin Sarkis Essayan who seek to ensure the fund manager performs effectively in line with the charity's needs and the investment policy. These Trustees also keep the fund manager's performance under review and compare it with what others could offer in terms of cost, investment approach, and level of service. Once agreed by the Trustees, these Trustees can sign any agreement with the fund manager on behalf of the Trustees, any amendment to that agreement, and any instructions to the fund manager to withdraw, or to transfer, cash or assets to third parties. Approval of the Trustees is not required for withdrawals and transfers entered into by the fund manager in connection with their management of the portfolio and the income arising there from. The delegated Trustees are also responsible for supervising the management of the cash portfolio.

Nature of Funds

The endowed funds are the permanent endowment of the Trust and are held in a balanced portfolio of equity, property and fixed interest investments. In accordance with a total return policy, the income earned and investment gains or losses, endowment returns, are treated as Unapplied Total Returns [UTR]. The Trustees agree how much of the UTR to allocate to the permanent endowment to ensure it maintains its value in real terms. The Trustees have set a Long-Term Spending Rate (LTSR) to determine the maximum amount of endowment returns that will be distributed in the year. This is used by the Trust in meeting its objects for the public benefit, primarily through the giving of charitable grants and to pay the governance costs of running the Charity. The difference between the total endowment returns and the amounts allocated are retained as Unapplied Total Returns to mitigate against years where negative investment returns are experienced.

Designated funds arise from the Trust's income streams and are assigned to a specific purpose by the Trustees. They are not treated as free reserves (available to be spent freely) as a designated use has been identified. These funds may be re-designated for another purpose by the Trustees if circumstances change.

Investment policy and Total Return

The main investment objective and risk tolerance of the investment policy approved by the delegated Trustees are:

- To achieve a total real return over a rolling five-year period to preserve the permanent endowment in real terms while sustaining a spending rate of 3.0 % of total asset value per annum.
- To maintain an overall total risk level that reduces to an acceptable level the likelihood of the UTR being exhausted under any likely five-year market fall whilst allowing the trust to support its spending commitments over this period.

**Trustees' report (continued)
for the year ended 31 March 2021**

Achievements and performance (continued)

Given the investment and risk objectives, the delegated Trustees have established an overall allocation of the Trust's investments to broad asset categories and reviews this asset allocation with the fund manager bi-annually reporting on it to the Trustees at least annually. The delegated Trustees have given the fund manager discretion to determine the precise asset allocation within certain control ranges, to achieve the investment objectives.

Benchmarks and Parameters

Benchmarks are agreed with the fund manager for each asset class.

Ethical and Socially Responsible Investment

The Trustees have reviewed their investment policy with regard to the Charity Commission's guidance on ethical and responsible investment. They have concluded that there are no specific industry or company activities which should be excluded from the portfolio on the grounds of any direct conflict with the charity's objectives. However, the Trustees aim to observe responsible investment principles. The charity's investment managers are expected to take into consideration the environmental, social, and governance characteristics of existing and prospective investments, where this is practicable and proportionate in the context of the overall investment strategy.

Investment Restrictions

The fund manager is required to ensure the securities are held by a regulated custodian of the highest credit rating in line with all FCA regulations.

With the exception of listed securities issued by the British Government, the fund manager should not invest more than 5% of the total portfolio value in the securities issued by any company, unit trust, or other listed entity.

The fund manager should not invest in derivative instruments other than to hedge risk exposures arising from conventional investments made in pursuit of the Trustees' stated investment objectives. The fund manager is required to discuss the use of such instruments with the delegated Trustees beforehand.

Investments are made only in securities having a listing on a recognised stock exchange. However, this does not exclude investing in Authorised Unit Trusts.

No investments are made in hedge funds. The fund manager is required to discuss investments in Private Equity funds with the delegated Trustees beforehand.

When making investments in international equities, the fund manager is required to balance the need for diversification, with the income yield target specified above and bear in mind that the majority of the Trust's liabilities are sterling denominated and the Trustees almost certainly cannot recover any foreign tax deducted at source from any income.

The bond portfolio is structured recognising the Trustees' desire to maintain the real value of the portfolio and its income.

Reporting and Review

The fund manager sends regular portfolio reports to the delegated Trustees. The delegated Trustees and fund manager meet at least twice a year to discuss past performance, asset allocation, and future plans. The delegated Trustees report to the other Trustees as necessary and when the investment policy is reviewed.

Saint Sarkis Charity Trust

Trustees' report (continued) for the year ended 31 March 2021

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The income generated from the Trust's investments is held in the unrestricted funds.

The Trustees review the level of unrestricted funds each year and consider it should be maintained at an adequate level to ensure the Trust is able to meet the current level of expected grants for the foreseeable future. The unrestricted reserves at 31 March 2021 amount to £166,586 (2020: £312,613) and the endowment funds amount to £11,918,296 (2020: £9,075,877). The endowment fund largely consists of the fixed asset investments and the returns they generate.

Structure, governance and management

a. Constitution

The Trust was set up by the late Calouste Gulbenkian primarily for the support of the Armenian Church of St. Sarkis in London and the Gulbenkian Library at the Armenian Patriarchate in Jerusalem. The Governing Document of the Trust was originally the Trust Deed dated 6 August 1954 and is now the Scheme prepared by the Charity Commissioners at the request of the Trustees and sealed on the 26 March 1997.

b. Methods of appointment or election of Trustees

The Trustees are appointed by the Board of Trustees and serve for five years after which period they may put themselves forward for re-appointment. The Trust Deed and Scheme provides that the Trustees are not to be less than three in number and that when appointing any future Trustee, the Trustees are to have regard to Mr. Gulbenkian's desire that the Trustees should include a representative or representatives of his family, the Managing Trustees of the Armenian Church of St. Sarkis and the legal profession in England.

c. Organisational structure and decision-making policies

At the Trustees meetings, the Trustees agree the broad strategy for grant making, investment, risk management policies, reserves and performance. Between meetings the Trustees also monitor all recommendations for funding and delegate the day to day administration to the Secretary and Treasurer.

d. Policies adopted for the induction and training of Trustees

New Trustees are selected on the basis of their background and commitment to the ethos of the Trust in supporting the Armenian community within and outside the UK as well as the skills and expertise they bring to the Trust.

New Trustees are inducted through meetings with the Chairman who provides details of the Trust, its background, aims and objectives, how it operates and future plans. New Trustees are also provided with a copy of the governing Trust deed, the previous year's Trustee board minutes, the last years of annual reports and accounts, and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: running a charity'.

**Trustees' report (continued)
for the year ended 31 March 2021**

Structure, governance and management (continued)

e. Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks and uncertainties facing the Trust are providing support to organisations in countries with less developed legal, financial and governmental infrastructures that allow the Trust to authenticate an application for funding and the organisation making the application. Risks also arise when supporting such organisations in monitoring and ensuring that funds granted are applied as per the purpose they were granted.

These risks are managed by: using, where available, independent organisations, such as the British Council, to verify the organisation, the reasons for application and where possible the use of the funding; ensuring accreditation is up to date and robust policies and procedures in place; and regular awareness training for staff working in these operational areas. The Trust also uses its connection with the Armenian Communities Department of the Calouste Gulbenkian Foundation to identify and verify organisations outside the UK in need of support and to monitor the funding granted.

f. Correspondence

All correspondence should be addressed to:
Mr Chris Holmes
Treasurer
Saint Sarkis Charity Trust
50 Hoxton Square
London N1 6PB

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' 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 year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

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 enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions 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.

Saint Sarkis Charity Trust

Trustees' report (continued) for the year ended 31 March 2021

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Martin Essayan (Jan 24, 2022 17:36 GMT)

Martin Essayan

Chairman

Date: Jan 24, 2022

Saint Sarkis Charity Trust

Independent auditors' report to the Members of Saint Sarkis Charity Trust

Opinion

We have audited the financial statements of Saint Sarkis Charity Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the Members of Saint Sarkis Charity Trust (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditors' report to the Members of Saint Sarkis Charity Trust (continued)

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and charity law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Statement of Recommended Practice 2019. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditors' report to the Members of Saint Sarkis Charity Trust (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

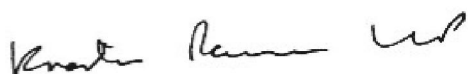
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

Date: 25 January 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Saint Sarkis Charity Trust

Statement of financial activities for the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	5	8,600	-	8,600	8,600
Income from investments	6	-	144,540	144,540	184,858
Total income and endowments		8,600	144,540	153,140	193,458
Expenditure on:					
Raising funds	7	-	32,727	32,727	31,385
Charitable activities	9	148,692	-	148,692	159,940
Governance costs	10	5,935	4,905	10,840	10,652
Total expenditure		154,627	37,632	192,259	201,977
Net (expenditure)/income before net gains/(losses) on investments		(146,027)	106,908	(39,119)	(8,519)
Net gains/(losses) on investments		-	2,735,511	2,735,511	(932,037)
Net movement in funds		(146,027)	2,842,419	2,696,392	(940,556)
Reconciliation of funds:					
Total funds brought forward		312,613	9,075,877	9,388,490	10,329,046
Net movement in funds		(146,027)	2,842,419	2,696,392	(940,556)
Total funds carried forward		166,586	11,918,296	12,084,882	9,388,490

The notes on pages 15 to 28 form part of these financial statements.

Saint Sarkis Charity Trust

Balance sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	13	11,828,518	9,124,653
Current assets			
Cash at bank and in hand		312,142	311,994
Creditors: amounts falling due within one year	14	(55,778)	(48,157)
Net current assets		<u>256,364</u>	<u>263,837</u>
Total net assets		<u><u>12,084,882</u></u>	<u><u>9,388,490</u></u>
Charity funds			
Endowment funds	16	11,918,296	9,075,877
Unrestricted funds	16	166,586	312,613
Total funds		<u><u>12,084,882</u></u>	<u><u>9,388,490</u></u>

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

Martin Essayan
Martin Essayan (Jan 24, 2022 17:36 GMT)

Martin Essayan

The notes on pages 15 to 28 form part of these financial statements.

Saint Sarkis Charity Trust

Notes to the financial statements for the year ended 31 March 2021

1. General information

Saint Sarkis Charity Trust is an unincorporated charity domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed on the company information page. The charity's principal objectives are disclosed on page 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Saint Sarkis Charity Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Cash flow exemption

The Charity has taken advantage of the exemption conferred by Section 7.1B of FRS 102 not to prepare a Statement of cash flows as a small sized entity.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Incoming resources are not included net of expenditure, since this is considered to give more complete information concerning the Trust's financial activities.

Investment income is accounted for on a receivable basis. Investment income from endowment funds is to be applied to furthering the objectives of the charity. Incoming resources from the endowment fund are unrestricted.

Donated services and facilities for administrative support are included at the value to the charity where this can be quantified and a third party is bearing the cost. A corresponding expense is recorded in the statement of financial activities.

**Notes to the financial statements
for the year ended 31 March 2021**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT which cannot be recovered.

Grants payable are accounted for once approval has been given by the Trustees and the obligation to pay the grant has arisen.

Staff and office costs provided by the Gulbenkian Foundation and Other office costs are divided equally between charitable expenditure and governance costs.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.7 Total return investment policy

The Trustees have adopted a total return approach to investment and spending, as permitted under the Trusts (Capital and Income) Act 2013 and the Charity Commission regulations associated with it. This was approved by the Trustees in November 2017 and brought into effect from 1 April 2018 using the average value of the endowment over the previous five years as the base point.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the financial statements
for the year ended 31 March 2021**

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities 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. Liabilities and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Endowment funds are funds used for investment purposes. Under the Total Return basis, a portion of the Endowment fund can be transferred to the Income fund each year. The Unapplied Total Return accumulates if no transfer is made. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The audit fee has been split between the Endowment fund and Unrestricted fund on a 75:25 basis to reflect the proportion of time taken to audit the charity.

Investments are valued at their fair value, using the closing quoted market value.

The value of donated services and facilities are included at the value to the charity.

4. Employees

There were no employees during the current or prior period, other than trustees, who did not receive any remuneration (2020: £Nil).

Notes to the financial statements
for the year ended 31 March 2021

5. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Gifts in kind	8,600	8,600
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Gifts in kind	8,600	8,600

In 2020 and 2021, the total income from donations and legacies, related to the provision of professional services.

6. Investment income

	Endowment funds 2021 £	Total funds 2021 £
Dividends and interest on fixed interest securities	143,876	143,876
Interest on cash deposits	664	664
	144,540	144,540
	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Dividends and interest on fixed interest securities	183,840	183,840
Interest on cash deposits	1,018	1,018
	184,858	184,858

Saint Sarkis Charity Trust

Notes to the financial statements for the year ended 31 March 2021

7. Investment management costs

	Endowment funds 2021 £	Total funds 2021 £
Expenditure on investment management	32,727	32,727

	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Expenditure on investment management	31,385	31,385

8. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grants	139,614	139,614

	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Grants	154,991	154,991

Saint Sarkis Charity Trust

Notes to the financial statements for the year ended 31 March 2021

8. Analysis of grants (continued)

The Charity has made the following material grants to institutions during the year:

	2021 £	2020 £
Armenian Projects		
World Food Programme	38,646	-
Hayastan Armenian Fund	20,000	-
Aurora Humanitarian Foundation	20,000	-
London Armenian Poor Relief	9,000	9,000
Fees re Jerusalem Library	8,762	27,478
Virtual Summer Festival	5,000	-
Armenian Church Trust	4,206	8,208
Armenian Church of St. Sarkis	2,000	13,415
PRIME	-	29,890
Armenian Institute	-	5,500
Armenian Diocese	-	3,500
Sub total	107,614	96,991
Other projects		
Barrow Cadbury Trust	32,000	58,000
Total	139,614	154,991

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Grants	139,614	139,614
Other charitable activities	9,078	9,078
	148,692	148,692
	Unrestricted funds 2020 £	Total funds 2020 £
Grants	154,991	154,991
Other charitable activities	4,949	4,949
	159,940	159,940

Notes to the financial statements
for the year ended 31 March 2021

10. Governance costs

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Auditors' remuneration	1,635	4,905	6,540
Staff and office costs provided by Gulbenkian Foundation	4,300	-	4,300
	<u>5,935</u>	<u>4,905</u>	<u>10,840</u>
	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Auditors' remuneration	1,588	4,764	6,352
Staff and office costs provided by Gulbenkian Foundation	4,300	-	4,300
	<u>5,888</u>	<u>4,764</u>	<u>10,652</u>

11. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Grants	139,614	-	139,614
Other charitable activities	-	9,078	9,078
	<u>139,614</u>	<u>9,078</u>	<u>148,692</u>
	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Grants	154,991	-	154,991
Other charitable activities	-	4,949	4,949
	<u>154,991</u>	<u>4,949</u>	<u>159,940</u>

Notes to the financial statements
for the year ended 31 March 2021

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Other charitable activities 2021 £	Total funds 2021 £
Staff and office costs provided by Gulbenkian Foundation	4,300	4,300
Bank charges	86	86
Professional fees	4,692	4,692
	<u>9,078</u>	<u>9,078</u>

	Other charitable activities 2020 £	Total funds 2020 £
Staff and office costs provided by Gulbenkian Foundation	4,300	4,300
Subscriptions	468	468
Bank charges	181	181
	<u>4,949</u>	<u>4,949</u>

12. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit and preparation of the annual accounts	<u>6,540</u>	<u>6,120</u>

Notes to the financial statements
for the year ended 31 March 2021

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Valuation			
At 1 April 2020	8,562,996	561,657	9,124,653
Additions	1,758,922	(1,758,922)	-
Disposals	(1,320,976)	1,413,390	92,414
Revaluations	2,568,468	-	2,568,468
Net cash invested	-	42,983	42,983
At 31 March 2021	<u>11,569,410</u>	<u>259,108</u>	<u>11,828,518</u>

Net book value

At 31 March 2021	<u>11,569,410</u>	<u>259,108</u>	<u>11,828,518</u>
At 31 March 2020	<u>8,562,996</u>	<u>561,657</u>	<u>9,124,653</u>

Net movement in investments

	2021 £	2020 £
Market value at 1 April 2020	9,124,653	10,082,545
Net investment gain/(loss)	2,568,468	(780,410)
Funds invested/(divested)	135,397	(177,482)
Market value at 31 March 2021	<u>11,828,518</u>	<u>9,124,653</u>

Investments at market value comprise:

	2021 £	2020 £
Listed investments	11,569,410	8,562,996
Cash awaiting investment	259,108	561,657
Total net investment transactions	<u>11,828,518</u>	<u>9,124,653</u>

All the fixed asset investments are held in the UK.

**Notes to the financial statements
for the year ended 31 March 2021**

Components of market value:

	2021 £	<i>2020</i> £
Equity	9,660,624	6,583,428
Loans	1,908,786	1,979,568
Cash	259,108	561,657
	11,828,518	9,124,653

The investment holding of £540,005 (2020: £832,328) in 0.125% index linked UK Treasury Stock is 4.56% (2020: 9.12%) of the total portfolio value and was the only holding in excess of 5% in the prior year.

14. Creditors: Amounts falling due within one year

	2021 £	<i>2020</i> £
Trade creditors	6,120	-
Grants payable	34,302	34,302
Accruals	15,356	13,855
	55,778	48,157

15. Financial instruments

	2021 £	<i>2020</i> £
Financial assets		
Financial assets measured at fair value through income and expenditure	11,828,518	9,124,653
	2021 £	<i>2020</i> £
Financial liabilities		
Other financial liabilities measured at fair value through income and expenditure	55,778	48,157

Financial assets measured at fair value through income and expenditure comprise the fixed asset investments, valued at market rate at the year end.

Income received from fixed asset investments are included in Note 6 to these financial statements.

Other financial liabilities measured at fair value through income and expenditure comprise grants payable and accruals.

Notes to the financial statements
for the year ended 31 March 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	312,613	8,600	(154,627)	-	166,586
Endowment funds					
Endowment Funds - all funds	9,075,877	144,540	(37,632)	2,735,511	11,918,296
Total of funds	9,388,490	153,140	(192,259)	2,735,511	12,084,882

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	469,841	8,600	(165,828)	-	312,613
Endowment funds					
Endowment Funds - all funds	9,859,205	184,858	(36,149)	(932,037)	9,075,877
Total of funds	10,329,046	193,458	(201,977)	(932,037)	9,388,490

Notes to the financial statements
for the year ended 31 March 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	-	11,828,518	11,828,518
Current assets	222,364	89,778	312,142
Creditors due within one year	(55,778)	-	(55,778)
Total	166,586	11,918,296	12,084,882

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Fixed asset investments	48,776	9,075,877	9,124,653
Current assets	311,994	-	311,994
Creditors due within one year	(48,157)	-	(48,157)
Total	312,613	9,075,877	9,388,490

Saint Sarkis Charity Trust

Notes to the financial statements for the year ended 31 March 2021

17. Analysis of net assets between funds (continued)

Endowment Fund

The Endowment Fund was established in 1954. The objectives of the Trust are as stated in the Trustees Report.

	Trust for Investment £	Unapplied Total Return £	Total Endowment £
At 1 April 2020			
Gift component of the permanent endowment	6,692,823	2,383,054	9,075,877
Movements in the year:			
Investment return: dividends and interest	-	144,540	144,540
Investment return: realised and unrealised gains/(losses)	-	2,735,511	2,735,511
Less: Investment management costs	-	(32,727)	(32,727)
Less: allocation of auditors' remuneration	-	(4,905)	(4,905)
At 31 March 2021	<u>6,692,823</u>	<u>5,225,473</u>	<u>11,918,296</u>

As permitted by the Charity Commission the trustees have opted to invest the endowment on a total return basis which means they are free to invest to maximise total return over the long term rather than to meet short term income targets.

The Total Return policy was adopted with effect from 1 April 2018. The valuation of the investment and the initial value of the UTR was determined by reference to the average value of the endowment as at 31 March 2017.

The Trust's objectives are to achieve a total real return over a rolling five-year period to preserve the permanent endowment in real terms while sustaining a spending rate of 3.0% of total asset value per annum and to maintain an overall total risk level that reduces to an acceptable level the likelihood of the UTR being exhausted under any likely five-year market fall whilst allowing the Trust to support its spending commitments over this period.

In accordance with the regulations, the Trustees decide each year how much to transfer to the Income Fund and how much to retain in the Unapplied Total Return (UTR) to ensure their ability to spend in the future. In the year, the Trust spent the usual amount but chose to take it from accumulated income rather than the UTR. This accumulated income had become quite large because the Trustees set aside funds for a project at the Gulbenkian Library in Jerusalem which was subsequently withdrawn.

18. Grant commitments

At 31 March 2021 the Trust had future minimum grant payments under legal obligation of £2,000 per annum, payable to the Armenian Church of St Sarkis.

At 31 March 2021, the Trust had committed to paying grants of £20,260 within one year.

Saint Sarkis Charity Trust

Notes to the financial statements for the year ended 31 March 2021

19. Related party transactions

The principal objective of the Trust is to support the Armenian Church of St. Sarkis in London. Dr S Vartoukian, who was a Trustee of Armenian Church of St Sarkis is the sister of R Vartoukian who is a Trustee of Saint Sarkis Charity Trust. Although not falling within the definition of a related party, due to the historical link between the two charities they are treated as if they are related.

During the year a total grant of £2,000 (2020: £13,415) was awarded to the Armenian Church of St. Sarkis.

During the year a total grant of £9,000 (2020: £9,000) was awarded to the London Armenian Poor Relief Society, which has one Trustee with a close family connection with a Trustee of Saint Sarkis Charity Trust.

The charity has Trustees in common with the Calouste Gulbenkian Foundation who, during the year donated services valued at £8,600 (2020 : £8,600) to the trust.

During the year no Trustees received any remuneration or other benefits (2020: £Nil).

During the year no Trustee expenses have been incurred (2020: £Nil).

There were no outstanding balances with any related parties as at the year end.

20. Controlling party

The Trustees are the controlling party of the Charity.

Final accounts for signing 24.01.22


Final Audit Report


2022-01-24


Created:	2022-01-24
By:	Calouste Gulbenkian Foundation UK Branch (cholmes@gulbenkian.org.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAc5Rta39PbXAdkXkkf5DnHgDpK2oS_xjn


"Final accounts for signing 24.01.22" History

 Document created by Calouste Gulbenkian Foundation UK Branch (cholmes@gulbenkian.org.uk)
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 Document emailed to Martin Essayan (martin.essayan@gulbenkian.org.uk) for signature
2022-01-24 - 15:44:29 GMT

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 Document e-signed by Martin Essayan (martin.essayan@gulbenkian.org.uk)
Signature Date: 2022-01-24 - 17:36:49 GMT - Time Source: server- IP address: 62.241.179.222

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