

**MIHRAN & AZNIV ESSEFIAN
CHARITABLE TRUST**

**Financial Statements
For The Year Ended
31 March 2021**

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Officers and Advisers

Governing Document:	Trust Deed
Charity Registration No:	275074 England & Wales.
Registered Office:	106 Ashurst Road Cockfosters Barnet EN4 9LA
Trustees:	Ms R A Vartoukian (Chairperson) Ms V Gulbenkian Dr A N Selian Matian Mrs S L Simons
Administrator:	Ms M Ovanessoff
Investment Manager:	JM Finn & Co 4 Coleman Street London EC2R 5TA
Bankers:	National Westminster Bank plc City of London Office PO Box 12258 1 Prince's Street London EC2R 8PA
Independent Examiner:	Hovnan Hampartsoumian BA, FCA Hovnan & Co Limited Chartered Accountants 106 Ashurst Road Cockfosters Barnet Herts EN4 9LG

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MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Trustees' Annual Report for the year ended 31 March 2021

The Trustees present their annual report together with the financial statements for the year ended 31 March 2021. 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 2015.

Objectives

The object of the Trust is to promote any one or more charitable object or objects for the benefit of members of the Armenian Community wherever they shall be living generally.

In furtherance of the Trust's objects the Trustees offer scholarship grants to university students of Armenian origin and grants to organisations and institutions to promote specific educational, cultural and charitable activities for the benefit of the Armenian Community throughout the world.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements in year (including financial review)

During the year the Trustees have granted £30,000 (2020: £30,000) to 288 (2020: 268) students studying at various higher educational establishments in Gyumri, ranging from £35 to £220 per student; £15,000 (2020: £15,000) to 257 (2020: 272) students in Vanadzor, ranging from £30 to £135 per student, and £1,750 and £1,800 to 2 students respectively in Yerevan, Armenia (same in 2020). £35,400 was granted in the form of scholarships to 6 Armenian students studying in the UK (2020: £28,600 to 6 students).

During their lifetime, the Essefian brothers made regular donations to the St. Tarkmanchats School in Jerusalem and the Surp Pirgic Hospital in Istanbul. Therefore it is fitting to continue contributing to these institutions for as long as it is financially viable to do so. The Trustees are also happy to continue regular donations to the Hayastan All-Armenian Charitable Trust of Great Britain and the Armenian Musical Assembly.

Since the beginning of 2014, the Trust's income consists of dividends and capital growth of the investment portfolio, with minor contributions from interest on bank deposits.

Structure, Governance and Management

The Charity is governed by a Trust Deed in a settlement declared by the late brothers, Hagop Mihran Essefian and Yervant Mihran Essefian on 21st December 1977.

The Trust is an unincorporated association administered by four Trustees and one administrator as named on officers and advisors page.

Investment Policy

The Trustees have wide powers to invest the monies of the Charity as they think fit. The current portfolio is primarily invested in major equities with an even balance between UK-focused and global securities and an ethical element where possible. The Securities are professionally managed by JM Finn & Co.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Trustees' Annual Report for the year ended 31 March 2021

Reserves Policy

The Trust Fund consists solely of the original capital and unrealised gains/losses. All other gains/losses (realised gains on investments and gains from sale of property) are held in the Accumulated Fund. The Trustees are pursuing a policy of diminishing the large Accumulated Fund by increasing expenditure. A Trust declaration allows for up to 5% of the capital of the investments to be used to meet Charity's objectives in any one year.

Risk Review

Having taken a sharp tumble at the end of the previous year, the Trust's investment portfolio recovered the majority of its value by the end of the current period. As expected, further progress on this front was muted by a new wave of the Covid-19 pandemic in the UK and across the world.

The Net Movement in Funds was less negative during this period (down £57k) than during the prior period (down £86k) so we did not eat into the capital as much as predicted. However, markets remain volatile and with the Reserve Fund now at £118k, it is time to ease our policy of eating into the reserves so deeply each year. We will continue to focus our grant-making on students in Armenia, while gradually cutting back on grants to students in the UK where possible.

Going Concern

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.

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 Trust Deed.

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 & 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 Accounting Standards 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 of the Charity 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.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Trustees' Annual Report for the year ended 31 March 2021

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 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 *30 Nov. 2021*

and signed on behalf of the Board



Ms R A Vartoukian
Trustee - Chairperson

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Independent examiner's report to the trustees of Mihran & Azniv Essefian Charitable Trust

I report on the accounts of the Trust for the year ended 31 March 2021, which are set out on pages 5 to 12.

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:

30/11/2021

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Statement of Financial Activities for the year ended 31 March 2021

	Note	Accumulated Fund 2021 £	Trust Fund 2021 £	Total Funds 2021 £	Accumulated Fund 2020 £	Trust Fund 2020 £	Total Funds 2020 £
Income and endowments from:							
Investment income	5	47,366	-	47,366	60,994	-	60,994
Other		32	-	32	-	-	-
Total income		<u>47,398</u>	<u>-</u>	<u>47,398</u>	<u>60,994</u>	<u>-</u>	<u>60,994</u>
Expenditure on:							
Cost of raising funds	2	8,291	-	8,291	9,077	-	9,077
Charitable activities	3, 4	153,290	-	153,290	103,507	-	103,507
Total expenditure		<u>161,581</u>	<u>-</u>	<u>161,581</u>	<u>112,584</u>	<u>-</u>	<u>112,584</u>
Net income/(expenditure) for the year before Gains/(losses)		(114,183)	-	(114,183)	(51,590)	-	(51,590)
Net gain/(losses) on Investments							
Realised gains/(losses) on investments		57,826	-	57,826	(34,837)	-	(34,837)
Unrealised gains/(losses) on investments	5	-	267,816	267,816	-	(212,857)	(212,857)
Net movement in funds		<u>(56,357)</u>	<u>267,816</u>	<u>211,459</u>	<u>(86,427)</u>	<u>(212,857)</u>	<u>(299,284)</u>
Balance brought forward at 1 April 2020		174,915	1,409,676	1,584,591	261,342	1,622,533	1,883,875
Balance carried forward at 31 March 2021	10	<u>118,558</u>	<u>1,677,492</u>	<u>1,796,050</u>	<u>174,915</u>	<u>1,409,676</u>	<u>1,584,591</u>

Continuing operations

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

Total recognised gains and losses

The Trust has no recognised gains or losses other than the gains for the current and previous year.

The notes on pages 7 to 12 form part of these financial statements.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

Balance sheet as at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	5	<u>1,736,183</u>	<u>1,410,172</u>
		<u>1,736,183</u>	<u>1,410,172</u>
Current assets			
Debtors	6	<u>1,039</u>	<u>1,196</u>
Cash at bank		<u>60,808</u>	<u>178,126</u>
		<u>61,847</u>	<u>179,322</u>
Liabilities: Amounts falling due within one year	7	<u>1,980</u>	<u>4,903</u>
Net current assets		<u>59,867</u>	<u>174,419</u>
Total assets less current liabilities		<u>1,796,050</u>	<u>1,584,591</u>
Represented by:			
Trust Fund	10	<u>1,677,492</u>	<u>1,409,676</u>
Accumulated Fund	10	<u>118,558</u>	<u>174,915</u>
		<u>1,796,050</u>	<u>1,584,591</u>

Approved and authorised for issue by the Trustees on 30 Nov 21 and signed on its behalf.



Ms R A Vartoukian
Trustee - Chairperson

The notes on pages 7 to 12 form part of these financial statements.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

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 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 audit, and costs of complying with constitutional and statutory requirements.

(f) Grants

Applications for grants in the UK are considered by the Trustees from university students of Armenian origin, as well as Armenian educational, cultural and social organisations. Priority is given by the Trustees to undergraduate students. Applications for grants in Vanadzor and Gyumri are considered by two local administrators working on behalf of the Trustees. They are accounted for on an accruals basis where the third party has a reasonable expectation that they will receive the grant.

(g) Fixed assets

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 and cannot itself be spent are accounted for as endowment funds.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

(i) Taxation policy

The charity is a registered charity and is exempt from income and corporation tax.

2. Cost of raising funds

	Accumulated Fund 2021 £	Trust Fund 2021 £	Total Funds 2021 £	Accumulated Fund 2020 £	Trust Fund 2020 £	Total Funds 2020 £
Investment management costs	8,291	-	8,291	9,077	-	9,077
	<u>8,291</u>	<u>-</u>	<u>8,291</u>	<u>9,077</u>	<u>-</u>	<u>9,077</u>

3. Grants

	2021 £	2020 £
University scholarships		
UK (2021: 6 students; 2020: 6 students)	35,400	28,600
Yerevan, Armenia (2021: 2 students; 2020: 2 students)	3,550	3,550
Gyumri, Armenia (2021: 288 students; 2020: 268 students)	30,000	30,000
Vanadzor, Armenia (2021: 257 students; 2020: 272 students)	15,000	15,000
	<u>83,950</u>	<u>77,150</u>
Other grants		
Hayastan All Armenian Fund	2,000	2,000
Surp Pirgich Armenian Hospital, Istanbul	2,000	2,000
Tarkmanchats School, Armenian Patriarchate of Jerusalem	2,000	2,000
Armenian Musical Assembly, Yerevan	1,000	1,000
The Halo Trust – COVID relief effort in Nagorno Karabagh	1,000	-
Humanitarian aid to Armenians in Beirut	20,000	-
Hayastan All Armenian Charitable Trust of Great Britain -		
Humanitarian aid to victims of Nagorno-Karabakh war	15,000	-
Ultrasound Machine for Goris Hospital	8,500	-
Armenian Artists' Network Switzerland, Festival	-	1,000
Manchester Church 150th anniversary events	-	629
	<u>51,500</u>	<u>8,629</u>
Total Grants	<u>135,450</u>	<u>85,779</u>

4. Expenditure on charitable activities

	Accumulated Fund 2021 £	Trust Fund 2021 £	Total Funds 2021 £	Accumulated Fund 2020 £	Trust Fund 2020 £	Total Funds 2020 £
Grants (Note 3)	135,450	-	135,450	85,779	-	85,779
Admin and accountancy	11,651	-	11,651	11,791	-	11,791
Bank charges	266	-	266	194	-	194
Operational fees, Armenia	3,000	-	3,000	3,000	-	3,000
Independent Examiner	1,980	-	1,980	2,160	-	2,160
Miscellaneous	943	-	943	583	-	583
	<u>153,290</u>	<u>-</u>	<u>153,290</u>	<u>103,507</u>	<u>-</u>	<u>103,507</u>

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

5. Fixed assets investment

Date of Purchase	Securities	Market value at 31.03.2020 £	Disposals £	Purchases £	Unrealised gain/(loss) £	Market value at 31.03.2021 £	Investment at cost 31.03.2021 £
26.07.10 & 06.12.12 07.01.14	JP Morgan Global Em Mkts 39,200 Ord. GBP	38,730	-	-	18,306	57,036	44,434
07.10.14	Lindsell Train 39,000 Lindsell Train UK Equity	172,723	(60,453)	-	14,863	127,133	74,792
22.07.20	Henderson 76,000 Fixed Interest	-	-	85,323	329	85,652	85,323
29.01.14 & 21.02.14	Jupiter (Merian) 45,750 UK Mid Cap R Acc Nav	78,052	-	-	54,625	132,677	66,521
29.10.13 & 08.01.14	Foresight Solar Fund Ltd NPV 42,700	47,183	-	-	(3,629)	43,554	42,274
31.07.12 & 27.09.12 07.01.14	3i Infrastructure NPV 13,700	46,698	(12,791)	-	6,713	40,620	24,115
04.07.16	T Bailey Fund Services 57,000 Evenlode Income B Inc	163,089	(49,574)	-	16,541	130,056	103,508
11.03.21	MSIM Fund Mgmt 730 Asia Opportunity Z GBP	-	-	45,755	(2,655)	43,100	45,755
16.11.16	Civitas Social Housing Plc 27,000 Ord GBP 0.01	26,028	-	-	3,078	29,106	27,020
09.09.14 & 22.01.16 01.07.19	Fundsmith LLP 20,330 Equity I Inc Nav	79,822	-	-	23,223	103,045	58,614
09.09.14 22.01.16	Scottish Mortgage Inv Trust 6,720 Ord GBP 0.05	38,539	-	-	37,867	76,406	15,987
07.10.14	Man Fund Mgt UK (formerly GLG) 94,000 GLG Undervalued Assets Prof	117,367	(25,811)	-	32,806	124,362	99,333
11.03.21	First Sentier Invs (UK) 15,475 Stewart Inv Asia Pacific Leaders B	-	-	45,430	166	45,596	45,430
27.05.20	Vanguard Fund Plc 990 FTSE All World ETF	-	-	67,567	12,281	79,848	67,567
11.03.21	Impax Environmental Markets 20,200 Ord GBP 0.1	-	-	89,279	(904)	88,375	89,279
		808,231	(148,629)	333,354	213,610	1,206,566	889,952

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

5. Fixed assets investment (contd)

Date of Purchase	Securities	Market value at 31.03.2019 £	Disposals £	Purchases £	Unrealised gain/(loss) £	Market value at 31.03.2020 £	Investment at cost 31.03.2020 £
14.05.15	Lazard Global Active Funds 0 Listed Infrastructure Eq Instl	38,287	(38,287)	-	-	-	-
05.08.15 & 23.05.16 17.08.17	MI Twentyfour 690 Dynamic Bond Gross I Inc	81,169	(12,618)	-	10,257	78,808	76,905
05.08.15 & 23.05.16 18.08.17	Schroder Unit Trusts 0 Strategic Credit L Inc	77,391	(77,391)	-	-	-	-
05.08.15	SVS Church House Inv Mgmt 0 Investment Grade Fixed Int I	47,384	(47,384)	-	-	-	-
14.10.15	Schroder Oriental Income Fund 16,900 Ord GBP0.01	64,379	(31,509)	-	14,365	47,235	30,898
19.10.15	Greencoat UK Wind PLC 29,000 Ord GBP0.01	51,376	(12,168)	-	(1,914)	37,294	32,554
03.12.15	Schroder European Real Estate Inv Tst 0 Ord GBP0.1	24,026	(24,026)	-	-	-	-
22.07.20	Ishares II Plc 2,460 GBP Idx-Linked Glts	-	-	50,389	(3,443)	46,946	50,390
23.11.17	River & Mercantile Funds 25,000 UK Equity Income B Inc	128,686	(24,571)	-	24,557	128,672	132,908
13.12.17	Aberdeen Standard 45,000 Eur Logis Inc Plc	41,040	-	-	7,785	48,825	45,020
08.03.21	The Renewables Infrastructure Grp 2,900 Ord NPV (SUB SHS Claims Purposes)	-	-	-	-	-	-
01.07.19	The Renewables Infrastructure Grp 29,000 Ord NPV	48,203	(11,025)	-	(1,856)	35,322	37,246
26.03.21	Digital 9 Infrastructure Plc 37,000 Ord NPV	-	-	37,020	(205)	36,815	37,020
14.10.20	Triple Point Energy EFF Infrs Co Plc 40,000 Ord GBP 0.01	-	-	40,020	1,180	41,200	40,020
08.10.20	Home Reit 25,000 Ord GBP 0.01	-	-	25,020	3,480	28,500	25,020
		<u>1,410,172</u>	<u>(427,608)</u>	<u>485,803</u>	<u>267,816</u>	<u>1,736,183</u>	<u>1,397,933</u>

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

5. Fixed assets investments (Contd.)	2021	2020
	£	£
Quoted investment		
Market value at 1 April 2020	1,410,172	1,830,979
Additions	485,803	200,248
Disposals at opening market value	(427,608)	(408,198)
Net unrealised gain in the year	267,816	(212,857)
	<u>1,736,183</u>	<u>1,410,172</u>
Market value at 31 March 2021	1,736,183	1,410,172
	<u>1,397,933</u>	<u>1,336,566</u>
Historical cost at 31 March 2021	1,397,933	1,336,566
	2021	2020
	£	£
Investment income		
UK income	33,450	48,320
Overseas income	12,465	11,315
UK Property Income	1,451	1,359
	<u>47,366</u>	<u>60,994</u>
6. Debtors	2021	2020
	£	£
Prepayments and accrued income	1,039	1,196
	<u>1,039</u>	<u>1,196</u>
7. Liabilities	2021	2020
	£	£
Amounts falling due within one year:		
Accruals	1,980	4,903
	<u>1,980</u>	<u>4,903</u>

8. Transactions with Trustees and connected persons

The Trustees serve on a voluntary basis and receive no remuneration or expenses. 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.

The Trustees consider the Benlian Trust (Registration No. 277253) as a connected Charity in that it shares the same Trustees and registered office. There was one transaction with the connected charity: reimbursement of a donation made to Surp Pirgic Hospital in Istanbul and the related portion of the international bank transfer charge. This was done to minimise international transfer costs, as both charities donate annually to the same beneficiary.

MIHRAN & AZNIV ESSEFIAN CHARITABLE TRUST

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

9. Staff Costs

There were no employees during the year.

10. Funds

Assets and liabilities are not split between the funds since both the Trust and the Accumulated Fund are unrestricted and held for the same purpose.