

**THE FRIENDS OF ETCHMIADZIN**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# THE FRIENDS OF ETCHMIADZIN

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Bishop V Manukyan Mr H H Didizian Mr R B Tanielian Ms S Ross LLB (HONS)
<b>Charity number</b>	1172096
<b>Principal address</b>	27 Haven Green Ealing London W5 2NZ
<b>Independent examiner</b>	Bridget Culverwell Moore Northern Home Counties Limited First Floor 73-75 High Street Stevenage Hertfordshire SG1 3HR
<b>Bankers</b>	National Westminster Bank plc Kensington, Royal Garden Branch PO Box 2341 55 Kensington High Street London W8 5ZG

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# THE FRIENDS OF ETCHMIADZIN

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# THE FRIENDS OF ETCHMIADZIN

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2020*

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The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 and "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)".

#### **Objectives and activities**

The object of the Charity is the advancement of religion in accordance with the doctrines of the Armenian Church by the provision of support to the Mother See of Holy Etchmiadzin in Armenia and around the world in such manner as the charity trustees may determine from time to time.

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 and performance**

During the year, the trustees received donations of £488,150 and gift aid of £121,687. In furtherance of the Trust objectives, the trustees made a grant donation of £560,060 to the Mother See of Holy Etchmiadzin towards the construction and running costs of Karekin I Educational Centre in Etchmiadzin, Armenia. The centre is specially designed to provide professional training for clergy and teachers from Armenian Diaspora on varied spiritual and historical subjects, including Armenian teachers and clergy from United Kingdom. A grant of £4,000 was made towards maintaining the Bishop's House in Ealing, London where numerous clergy training programmes are performed. Grants of £35,159 were made to the Armenian Church Trust (UK) as well as student grants of £8,000.

#### **Financial review**

The Charity does not have a policy for holding reserves since it operates on the basis that it raises funds for particular projects and is not committed to ongoing running costs. At the year-end, the Charity had a deficit of £851. There are plans to eliminate this deficit in the future by reducing the level of donations paid out.

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. There are currently no specific risks or uncertainties to which the Charity is exposed, but the Trustees will continue to monitor the Charity's activities and manage any risks as and when they are identified.

The Trust intends to continue its central policy of making grants to religious organisations in particular the Mother See of Holy Etchmiadzin in Armenia; clergy training with detailed programs; continue to assist maintaining the Bishop's House in Ealing, London; assist the Bishop with his commitments of visiting parishes throughout the United Kingdom and overseas in particular Armenia; and provide educational support to students.

#### **Structure, governance and management**

The Friends of Echmiadzin is a registered Charity and a Charitable Incorporated Organisation governed by its Trust Deed.

The trustees who served during the year and up to the date of signature of the financial statements were:

Bishop V Manukyan

Mr H H Didizian

Mr R B Tanielian

Ms S Ross LLB (HONS)

# THE FRIENDS OF ETCHMIADZIN

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2020*

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A Board of Trustees of four members administers the Charity. The Board has the power to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing members.

None of the trustees has any beneficial interest in the charity. If the charity is wound up, the trustees have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The Charity is run by its Trustees, who make decisions at board meetings. There are no staff to delegate management of the Charity to.

New trustees are made aware of their responsibilities upon induction and are encouraged to keep up to date with developments in the sector by accessing relevant training material.

The trustees' report was approved by the Board of Trustees.



**Bishop V Manukyan**

Trustee

Dated: 30 June 2021

# THE FRIENDS OF ETCHMIADZIN

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE FRIENDS OF ETCHMIADZIN

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I report to the trustees on my examination of the financial statements of The Friends of Etchmiadzin (the charity) for the year ended 31 March 2020.

#### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) 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 now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do 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 financial statements to be reached.

Bridget Culverwell  
Moore Northern Home Counties Limited

First Floor  
73-75 High Street  
Stevenage  
Hertfordshire  
SG1 3HR

Dated: 30 June 2021

# THE FRIENDS OF ETCHMIADZIN

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income from:</u></b>			
Donations and legacies	2	609,837	15,200
<b><u>Expenditure on:</u></b>			
Charitable activities	3	608,719	220,449
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		1,118	(205,249)
Fund balances at 1 April 2019		(1,969)	203,280
<b>Fund balances at 31 March 2020</b>		<u>(851)</u>	<u>(1,969)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE FRIENDS OF ETCHMIADZIN

## BALANCE SHEET

AS AT 31 MARCH 2020

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	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Cash at bank and in hand		649		1,331	
<b>Creditors: amounts falling due within one year</b>	<b>8</b>	<b>(1,500)</b>		<b>(3,300)</b>	
Net current liabilities			(851)		(1,969)
<b>Income funds</b>					
Unrestricted funds			(851)		(1,969)
			(851)		(1,969)

The financial statements were approved by the Trustees on 30 June 2021



Bishop V Manukyan  
**Trustee**



# THE FRIENDS OF ETCHMIADZIN

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2020**

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		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	10		(682)		(223,699)
<b>Net cash used in investing activities</b>			-		-
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(682)		(223,699)
Cash and cash equivalents at beginning of year			1,331		225,030
<b>Cash and cash equivalents at end of year</b>			649		1,331

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# THE FRIENDS OF ETCHMIADZIN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Charity information

The Friends of Etchmiadzin is a Charitable Incorporated Organisation.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, the Charities Act 2011 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the Covid-19 pandemic on the charity's activities and do not believe there to be any change in the going concern status of the charity.

##### 1.3 Charitable 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.

##### 1.4 Incoming resources

Donations, legacies and similar incoming resources are recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the monetary value of income can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

##### 1.5 Resources expended

Expenditure is recognised in the statement of financial activities on an accrual basis as a liability is incurred. Expenditure includes any VAT which can not be fully recovered.

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

# THE FRIENDS OF ETCHMIADZIN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

(Continued)

Applications for grants 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. They are accounted for on an accruals basis where the third party has a reasonable expectation that they will receive the grant.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

#### 2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	488,150	12,200
Gift Aid reclaimed	121,687	3,000
	<u>609,837</u>	<u>15,200</u>

#### 3 Charitable activities

	2020	2019
	£	£
Grant funding of activities (see note 4)	607,219	220,149
Share of governance costs (see note 5)	1,500	300
	<u>608,719</u>	<u>220,449</u>

#### 4 Grants payable

	2020	2019
	£	£
Religious grants	599,219	220,149
Educational grants	8,000	-
	<u>607,219</u>	<u>220,149</u>

# THE FRIENDS OF ETCHMIADZIN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 5 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Audit fees	-	-	-	-	(300)	(300)
Accountancy fees	-	-	-	-	600	600
Independent examiner fees	-	1,500	1,500	-	-	-
	-	1,500	1,500	-	300	300
Allocated to:						
Charitable activities	-	1,500	1,500	-	300	300

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 7 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

### 8 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	1,500	3,300

### 9 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

# THE FRIENDS OF ETCHMIADZIN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10 Cash generated from operations	2020	2019
	£	£
Surplus/(deficit) for the year	1,118	(205,249)
Movements in working capital:		
(Increase)/decrease in debtors	-	6,250
(Decrease) in creditors	(1,800)	(24,700)
<b>Cash absorbed by operations</b>	<b>(682)</b>	<b>(223,699)</b>
11 <b>Analysis of changes in net funds</b>		
The charity had no debt during the year.		