

**THE JOHN S FAFALIOS FOUNDATION**

**REGISTERED CHARITY NO: 1059486**

**STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 5 APRIL 2021**

# THE JOHN S FAFALIOS FOUNDATION

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# THE JOHN S FAFALIOS FOUNDATION

## REFERENCE & ADMINISTRATIVE INFORMATION

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<b>Official Charity Name</b>	The John S Fafalios Foundation
<b>Registered Charity Number</b>	1059486
<b>Principal Office Address</b>	Moore Family Office Limited 42 Berkeley Square London W1J 5AW
<b>Trustees</b>	Catherine J. Fafalios Stamos J. Fafalios Despina M. Moschos Kim Thornton
<b>Bankers and Investment Managers</b>	Quilter Cheviot PO Box 276, 28/30 The Parade, St Helier, Jersey, JE4 8TE  Nedbank Private Wealth 31 The Esplanade St Helier Jersey, JE1 1FB
<b>Accountants</b>	Moore Family Office Limited 42 Berkeley Square London W1J 5AW
<b>Auditor</b>	R E Jones & Co. 132 Burnt Ash Road Lee, London, SE12 8PU

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# THE JOHN S FAFALIOS FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

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### **Report of the Trustees for the year ended 5 April 2021**

The Trustees present their report for the year ended 5 April 2021 under the Charities Act 2011, together with the financial statements for the year, and confirm that they comply with the requirements of the Act, the Trust Deed 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 (FRS102).

### **Structure, Governance and Management**

The John S Fafalios Foundation is an unincorporated registered charity, established by Deed on 4 November 1996. The four original Trustees have been in place since the inception of the Foundation in 1996 and are considered to be the Key Management Personnel of the Trust and are actively involved in the administration. On the 30 October 2018 one of the original Trustees, Irene Fafalios retired and was replaced by Kim Thornton who was appointed as a Trustee. Whilst this is a small family Trust and there are no formal procedures for the appointment or retirement of Trustees. There must always be at least three Trustees and on retirement the Trustees must give two months notice.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 6 to the accounts. Trustees are required to disclose all relevant interests and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises. The Trustees consider the affairs of the Charity on an ongoing basis.

### **Risk Management**

The Trustees are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls are established throughout the year. A formal review of the Trust's risk management process is undertaken on an annual basis. The key controls used by the Trust include formal agendas and minutes for all Trustee meetings, comprehensive planning, budgeting and accounting and clear authorisation and approval levels of all grants and other expenditure. Through the risk management processes established, the Trustees are satisfied that the major risks identified have been adequately managed. The major risks identified by the Trustees are financial, being the volatility of investment returns on the managed portfolios and the proper use of the grants given by the Trust each year.

### **Objects, Objectives and Principal Activities for the Public Benefit**

Under the terms of the Deed, the Trustees have discretion to pay or apply the Trust Fund, or the income thereof:

- to benefit worldwide disaster funds;
- for the relief of poverty, the advancement of education and the advancement of religion (in particular in the country of Greece);
- generally for such purposes or objects which are from time to time recognised as exclusively charitable according to the law of England and Wales as the Trustees in their absolute discretion think fit.

The Trustees prefer to make donations to charities whose work they have come across through their own research. Particular emphasis is placed upon charities with Greek connections. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

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# THE JOHN S FAFALIOS FOUNDATION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

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The current main aims of the Foundation are:

- To support charitable causes which are of interest to the Trustees as a whole.
- To provide charitable funding in accordance with the governing Trust Deed and the Objects contained within.
- To maintain resources at a reasonable level in order to continue to provide general charitable assistance in the foreseeable future.

The main objectives for the year are shaped by these strategic aims with a view to continuing to fund chosen general charitable causes in line with the Trust Deed. The Foundation carries out these aims and objectives by:

- providing funding to other recognised charitable institutions and individuals with connections in Greece.
- providing donations to other registered charitable organisations which provide research, support and care for the benefit of the public as a whole.

### **Grant-Making Policies**

The Foundation has established its grant making policy to achieve its objectives for the public benefit to improve the lives of people suffering from financial hardship.

Unsolicited applications are accepted, but the Trustees do receive a considerable number of grant applications which, in line with the Trustees' grant making policy, are mostly unsuccessful. The Trustees prefer to support donations to Charities whose work they have researched and which is in accordance with the aims and objectives of the Foundation for the year. Financial circumstances will be relevant only in determining the amount of an award.

The Trustees request regular reports from the recipients of their donations to provide details of how the grants have been allocated and spent. Grants are only continued where the applicant provides sufficient relevant information to the Trustees and satisfies the Trustees that continuation of funding is in the interests of the Foundation and are a benefit to the public as a whole.

### **Achievements and Performance**

A summary of the year's results and performance is given on page 9 of the accounts.

In general the Trustees are happy with the performance of the investments and the impact that the grants that they have provided has had.

Last year the Trustees received donated funds of €2,000,000 (£1,690,860) and during this year the Foundation received a further donation of €2,150,000 (£1,943,704). The Trustees have decided to use this funding to provide a donation to a not-for-profit organisation in Greece to purchase a plot of land and build an educational Montessori centre for children aged from 5 months to 6 years. The building work and the project is progressing well and work has been carried out simultaneously on the building and on the surrounding areas. The Trustees are happy with the progress reports that they have received to date and the Centre became operational in September 2021.

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# THE JOHN S FAFALIOS FOUNDATION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

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### **Financial Review (Including Reserves Policy)**

The Foundation is reliant on the income from its investments and donations received. The Foundation's income during the year ended 5 April 2021 comprised of income from a managed investment portfolio amounting to £5,862 (2020: £9,042) and donations received of £1,943,704 (2020: £1,690,860). The Trustees record no income surplus or deficit for the year ended 5 April 2021 (2020: £Nil). Donations of £2,024,880 were granted during the year (2020: £1,727,908).

The Trustees have a balanced investment policy and therefore distribute income on an annual basis and retain an appropriate level of capital for the maintenance of the Foundation. All funds are unrestricted.

### **Covid-19**

The charity is mindful of the effects that Covid-19 is having on the ability of the Trustees to function, meet and decide on donations. The charity is also mindful of the wider economic effects this has had on the global market since 2020. The Trustees maintain a regular risk review of the impact on the charity and the potential future demand for donations. The charity considers itself to be well positioned to manage the situation in the forthcoming months.

### **Going concern**

The charity has considered the going concern in light of the Covid-19 pandemic and concluded that the charity has sufficient financial resources in place at the Balance Sheet date to consider it reasonable to adopt the going concern basis in preparing the financial statements for the year.

### **Investment Policy and Performance**

The investment portfolio is specifically geared towards the needs of charitable organisations and produces a balance of income and capital growth. The Trust Deed confers upon the Trustees wide powers of investment, in all respects, as if they were absolute owners beneficially entitled to the underlying assets. At present the Foundation's funds comprise listed securities and cash.

The Trustees monitor the performance of the investments held by the Trust in line with their short and long term aims and objectives, as well as undertaking regular reviews with the investment managers at the Trustees' meetings throughout the financial year. The Trustees' policy is to invest the funds available in a secure market, endeavoring to obtain a reasonable income, compatible with protection of the capital value involved and taking into account inflationary factors. With this in mind, the Trustees have retained Quilter Cheviot to guide and act for them on a professional basis. The Trustees monitor the performance of the investments in line with their short and long term aims and objectives.

Investments are shown at fair value rather than book cost in accordance with the Statement of Recommended Practice: Accounting by Charities. In the year to 5 April 2021, the Charity made a net realised gain on disposal of listed investments of £70,370 (year ended 5 April 2020: £42,794) and an unrealised gain on listed investments of £79,185 (year ended 5 April 2020: unrealised loss of £81,555).

The Trustees confirm that the Charity's assets are sufficient to fulfil its obligations in respect of unrestricted funds and that all investments held by them on behalf of the Charity have been acquired in accordance with the powers available to them under the Trust Deed.

### **Plans for the Future**

The Trustees will continue to monitor their investments with a view to providing charitable donations to the causes laid out in the objectives above.

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# THE JOHN S FAFALIOS FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 5 APRIL 2021

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#### The Accounts

The Trustees are satisfied with the financial position of the Charity and confirm that they have adequate assets available to fulfil their obligations.

1. All cash, apart from a small working balance, is held on interest bearing bank accounts.
2. The accounts comply with current statutory requirements.
3. Investments have been acquired in accordance with the powers contained within the governing document.

#### Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the income and expenditure of the Trust for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with relevant legislation. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on 2 February 2022 and signed on the Trustees' behalf by:

S J Fafalios

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# THE JOHN S FAFALIOS FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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### Opinion

We have audited the financial statements of The John S Fafalios Foundation (the "Charity") for the year ended 5 April 2021 which comprise Statement of Financial Activities, The Balance Sheet, Cash Flow and the related notes and notes to the financial statements, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 5 April 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

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# THE JOHN S FAFALIOS FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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.

### **Our responsibilities for the audit of the financial statements.**

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

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# THE JOHN S FAFALIOS FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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### 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 industry, and through discussion with the trustees and other managers (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment 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, Charities SORP (FRS 102), taxation and pension legislation. 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. Audit procedures performed by the engagement team included:

Discussions with Trustee's and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and

- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions that may indicate risks of material misstatements due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at 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.

### Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144\* of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 auditor's 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DARREN SMART  
(Statutory Auditor)  
For and on behalf of **R E JONES & CO**  
*Chartered Accountants and  
Statutory Auditors*

Date: 4 February 2022

132 Burnt Ash Road  
Lee, London SE12 8PU

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**THE JOHN S FAFALIOS FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 5 APRIL 2021**

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	Note	Income Account £	Capital Account £	Total Funds 2021 £	2020 £
<b>Income from:</b>					
Donations	2	-	1,943,704	1,943,704	1,690,860
Investments	2	5,862	-	5,862	9,042
<b>Total</b>		<b>5,862</b>	<b>1,943,704</b>	<b>1,949,566</b>	<b>1,699,902</b>
<b>Expenditure on:</b>					
Investment Management Costs & Other		-	5,770	5,770	5,669
Charitable Activities	4	5,862	2,034,100	2,039,962	1,749,769
<b>Total</b>		<b>5,862</b>	<b>2,039,870</b>	<b>2,045,732</b>	<b>1,755,438</b>
<b>Net (Expenditure) Before Net Gains on Investments</b>					
		-	(96,166)	(96,166)	(55,536)
Net (Losses)/Gains on Investments	5	-	149,555	149,555	(38,761)
Realised (Losses)/Gains on Currency		-	(2,316)	(2,316)	2,109
<b>Net (Expenditure) / Income and Net Movement in Funds</b>		<b>-</b>	<b>51,073</b>	<b>51,073</b>	<b>(92,188)</b>
<b>Reconciliation of Funds:</b>					
<b>Total Funds Brought Forward at 6 April 2020</b>		<b>-</b>	<b>577,563</b>	<b>577,563</b>	<b>669,751</b>
<b>Total Funds Carried Forward at 5 April 2021</b>		<b>£ -</b>	<b>£ 628,636</b>	<b>£ 628,636</b>	<b>£ 577,563</b>

All the above Funds are unrestricted

The notes on pages 13 to 17 form part of these accounts

**THE JOHN S FAFALIOS FOUNDATION**  
**BALANCE SHEET**  
**AS AT 5 APRIL 2021**

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	Note	2021	2020
		£	£
<b>Fixed Assets:</b>			
Investments	5	567,192	463,123
<b>Current Assets:</b>			
Cash at Bank and in Hand		68,404	121,160
<b>Total Current Assets</b>		<u>68,404</u>	<u>121,160</u>
<b>Current Liabilities:</b>			
Creditors: Amounts falling due within one year	8	<u>(6,960)</u>	<u>(6,720)</u>
<b>Net Current Assets</b>		61,444	114,440
<b>Net Assets</b>		<u><u>£ 628,636</u></u>	<u><u>£ 577,563</u></u>
<b>Represented by the Unrestricted Funds of the Charity:</b>			
Capital Account		<u>628,636</u>	<u>577,563</u>
		<u><u>£ 628,636</u></u>	<u><u>£ 577,563</u></u>

Signed for and on behalf of the Trustees by:

Stamos J Fafalios

Date: 2 February 2022

The notes on pages 13 to 17 form part of these accounts

**THE JOHN S FAFALIOS FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 5 APRIL 2021**

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	2021 £	2020 £
<b>Net cash used in operating activities (Note 1)</b>	<b>(2,048,708)</b>	(1,760,879)
<b>Cash flows from investing activities:</b>		
Donations received	1,943,704	1,690,860
Investment income received	5,862	9,042
Payments to acquire investments	(187,785)	(215,137)
Receipts from the disposal of Investments	233,271	252,642
<b>Net cash provided by investing activities</b>	<b>1,995,052</b>	<b>1,737,407</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(53,656)</b>	<b>(23,472)</b>
Cash and cash equivalent brought forward	121,160	144,632
<b>Cash and cash equivalents carried forward</b>	<b>£ 67,504</b>	<b>£ 121,160</b>

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**THE JOHN S FAFALIOS FOUNDATION**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 5 APRIL 2021**

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<b>1. Reconciliation of net (expenditure) to net cash flow from operating activities</b>	<b>2021</b> £	<b>2020</b> £
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	(96,166)	(55,536)
<b>Adjustments for:</b>		
Currency exchange (gain) / loss	(2,316)	2,109
Donations received	(1,943,704)	(1,690,860)
Investment income	(5,862)	(9,042)
Increase/(Decrease) in creditors	(660)	(7,550)
<b>Net cash used in operating activities</b>	<b><u>(£2,048,708)</u></b>	<b><u>(£1,760,879)</u></b>

<b>2. Reconciliation of net cash flow to movement in net funds</b>	<b>2021</b> £	<b>2020</b> £
Balance at 6 April 2019	121,160	144,632
Net cash inflow	(53,656)	(23,472)
<b>Balance at 5 April 2020</b>	<b><u>£ 67,504</u></b>	<b><u>£ 121,160</u></b>

<b>3. Analysis of increase in net funds</b>	<b>2021</b> £	<b>2020</b> £	<b>Change in 2021</b> £	<b>Change in 2020</b> £
Cash held by investment managers	8,962	45,566	(36,604)	23,415
Cash at bank and in hand	59,442	75,594	(16,152)	(46,887)
	<b><u>£ 68,404</u></b>	<b><u>£ 121,160</u></b>	<b><u>(£52,756)</u></b>	<b><u>(£23,472)</u></b>

# THE JOHN S FAFALIOS FOUNDATION

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 5 APRIL 2021

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#### 1. Principal Accounting Policies

##### (a) Basis of Accounting

These accounts have been prepared for the year to 5 April 2021. The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102. The accounts are presented in sterling and are rounded to the nearest pound.

##### (b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

At the year end the Trust had positive unrestricted reserves. The Trustees believe that the Trust's financial statements should be prepared on a going concern basis on the grounds that the Trust has sufficient liquid resources and that the Trustees have the power under the Trust Deed to utilise the expendable capital account for charitable purposes at their discretion if required.

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 5 April 2022, the most significant areas that affect the carrying value of the assets held by the Trust are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

##### (c) Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

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# THE JOHN S FAFALIOS FOUNDATION

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 5 APRIL 2021

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#### (d) Foreign Currencies

Assets and monetary liabilities in other currencies at the balance sheet date are translated into pounds sterling at the rate ruling on that date. Transactions during the year have been translated into pounds sterling at the rate ruling on the date of transaction. Exchange differences arising during the year are dealt with in the income account or the capital account.

#### (e) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### (f) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### (g) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

#### (h) Income recognition

All income is recognised in the period in which the Trust is entitled to receipt, the amount can be measured with reasonable certainty, and it is probable that the income will be received.

Dividends and interest from listed investments are credited to the statement of financial activities when they are receivable by the Trust. Bank interest is credited to the statement of financial activities when it is receivable by the Trust.

#### (i) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. The costs of raising funds comprise those costs directly attributable to managing the Trust's investment portfolio and raising investment income.

Charitable activities comprise grants payable in pursuance of the objectives of the Trust and in meeting the costs of administering the donations. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching to them are fulfilled. Grants offered subject to conditions which have not been met at the year end, are noted as commitments but not accrued as expenditure in the accounts. Charitable activities also comprise governance costs which include costs which are directly attributable to legal procedures necessary for compliance with statutory requirements.

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#### (j) Funds Added

Funds added to the Trust are credited to the capital account when receivable.

#### (k) Unrestricted Funds

The Trust has two unrestricted funds which are capital and income. It is the Trustees' intention that income is to be applied to or for the benefit of exclusively such objects or purposes as are for the time being charitable in law and that the capital account may be applied in the same manner as far as necessary.

#### (l) Taxation

The Trust is a registered charity under the Charities Act 2011 and is not liable to UK income, corporation or capital gains tax on its income and chargeable gains as these fall within the various exemptions available to registered charities.

Irrecoverable VAT has been charged to the accounts in line with the expense to which it relates and is not disclosed separately.

2. Income	2021 £	2020 £
Donations	1,943,704	1,690,860
Income from Listed Securities	5,862	9,042
	<u>£ 1,949,566</u>	<u>£ 1,699,902</u>

3. Analysis of Grant Administration & Governance Costs	2021 £	2020 £
BDO LLP - Accountancy & Administration	-	9,190
Moore Family Office Ltd - Accountancy & Administration	5,500	-
- Previous year under provision	3,250	-
Auditor fees	2,800	2,800
Auditor fees - previous years adjustment	-	5,600
VAT	2,310	3,518
Other Expenses	1,222	753
Total Costs (note 4)	<u>£ 15,082</u>	<u>£ 21,861</u>

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4. Expenditure on charitable activities	Income 2021 £	Capital 2021 £	Total 2021 £	Total 2020 £
Donations and Grants (note 7)	-	2,024,880	2,024,880	1,727,908
Grant administration & Governance costs (note 3)	5,862	9,220	15,082	21,861
	<b>£ 5,862</b>	<b>£ 2,034,100</b>	<b>£ 2,039,962</b>	<b>£ 1,749,769</b>

5. Investments	2021 £	2020 £
Fair value at 6 April 2020	463,123	539,389
Additions	187,785	215,137
Disposals	(233,271)	(252,642)
	417,637	501,884
Unrealised (Losses) / Gains	79,185	(81,555)
Realised Gains	70,370	42,794
Fair value at 5 April 2021	567,192	463,123
Cash held with investment manager	8,962	45,566
	<b>£ 576,154</b>	<b>£ 508,689</b>

The investments included above, all of which were listed on a recognised stock exchange, comprise:

	2021 £	2020 £
UK Investments	13,495	13,203
Overseas Investments	553,697	449,920
	<b>£ 567,192</b>	<b>£ 463,123</b>

# THE JOHN S FAFALIOS FOUNDATION

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#### 6. Information regarding Trustees and Employees, and Related Party Transactions

The Trust considers its key management personnel to be all of the Trustees. The Trust had no employees. The Trustees received no remuneration or reimbursement of expenses during the year. The Trustees have not purchased indemnity insurance.

During the year the Trustees agreed to provide funding of €2,150,000 (£1,943,704) towards the final stages of building of a Montessori school for children in Greece. This donation, which is in furtherance of the Trustees' charitable objects, was paid to Ekpaideftiki Protovoulia which is an Educational Initiative Not-for-Profit Civil Law Company based in Greece. The Chairwoman of the Board of Directors, Mrs Irene Fafalios, is a connected party to the Trustee, Stamos J Fafalios and the Founder, Catherine J Fafalios, by way of being a family member.

#### 7. Donations and Grants

	2021 £	2020 £
Benaki Museum	9,037	-
Chios Amea, Pagxiakos Association for Disabled People	4,519	3,714
Chios Ceramics / Kapon	7,974	-
Etaireia Astronomias Kai Diastimatos	-	6,979
Festival of Greek Music	9,091	-
Friends of the Greek Islands and Sea	-	9,285
Greek School	1,943,786	1,690,860
Home 'Zorzis G Michalinos' Chios Island	9,041	-
Istos	-	1,520
Lemoinia Samartzi	-	2,733
Musa Hellenica	9,099	2,678
Polyphonica	9,037	-
SKEP Association of Social Responsibility for Children and Youth	13,637	-
Skytali (Hellenic Heart-Lung Transplant Association)	9,091	-
Syn Enosis	-	22,292
	<u>2,024,312</u>	<u>1,740,061</u>
Other donations to organisations under £1,000: 1 (2020: 1)	568	736
	<u>2,024,880</u>	<u>1,740,797</u>
Less: Donations written back for previous years: Demos Avelioidis (2018)	-	(12,889)
Total Donations and Grants (note 4)	<u><b>£ 2,024,880</b></u>	<u><b>£ 1,727,908</b></u>

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

	2021 £	2020 £
Accruals and Deferred Income	6,960	6,720
	<u><b>£ 6,960</b></u>	<u><b>£ 6,720</b></u>