

**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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<b>Trustees</b>	F R Khuri M T Basile S B El Meouchi
<b>Company registered number</b>	03666904
<b>Charity registered number</b>	1072838
<b>Registered office</b>	69 Carter Lane London EC4V 5EQ
<b>Company secretary</b>	Southampton Row Secretaries Limited
<b>Independent auditors</b>	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
<b>Bankers</b>	UBS A.G. 5 Broadgate London EC2M 2AN
<b>Solicitors</b>	Roys Withy King 69 Carter Lane London EC4V 5EQ

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## **THE NAEF K. BASILE FOUNDATION**

**(A Company limited by Guarantee)**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020**

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The Trustees present their Annual Report together with the audited financial statements for the year 1 December 2019 to 30 November 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company'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).

Since the company qualifies as small under section 383, the Strategic Report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Naef K. Basile Foundation ('the Foundation') is a company limited by guarantee and a registered Charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Foundation. The Trustees of the Foundation are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

### **Members' Liability**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

### **Organisational Structure and decision making**

The Foundation has three Trustees, of which Ms M T Basile is Chair. The Trustees meet as and when necessary, in the United States or Lebanon. The Trustees undertake the day-to-day management of the Foundation.

During the year ended 30 November 2020 the Foundation engaged the following advisers:

Banking and investment advisers – UBS A.G. (London) and Banque Misr Liban (BML) (Beirut)

Solicitors – Royds Withy King

Auditors – MHA MacIntyre Hudson

### **Policies and procedures for induction and training of Trustees**

Any additional Trustees are appointed on the basis of: their experience in the fields of medical and scientific research or the legal and regulatory environment in which the Foundation operates as a Charity, or (subject to them otherwise being suitable to act as Trustees) their familial relationship to Naef K. Basile or being in a position of prominence in Lebanese society or business or in the Lebanese-American community and so being able to contribute to the furtherance of the Foundation's objects. New Trustees are offered training to ensure that they fully understand the objects of the Foundation, their duties and obligations as Trustees and the legal and regulatory environment in which the Foundation operates as a Charity.

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## **THE NAEF K. BASILE FOUNDATION**

**(A company limited by guarantee)**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2020**

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#### **OBJECTS AND AIMS**

##### **Principal Activities, Objectives and Aims**

The Foundation was incorporated on 12 November 1998 as a Charity.

The principal activity of the Foundation is the relief of sickness and the protection and preservation of health. In doing so it will undertake and promote, in the Republic of Lebanon, medical and scientific research into cancers and related subjects.

The Foundation entered into a formal agreement with the American University of Beirut (AUB) on 19th November 2003 as a joint venture to establish a facility to be named "The Naef K. Basile Cancer Institute at the American University of Beirut" ("NKBCI"). The NKBCI currently includes a multidisciplinary specialised group to diagnose and treat cancer and establish programs on health education for cancer prevention and early diagnosis.

##### **Strategies for achieving objectives**

As part of its strategy to assist in the relief of sickness and the preservation of health in the Republic of Lebanon, the Foundation has participated in the development of the Cancer Support Fund at AUB, a programme to make cancer care available to indigent patients. The Foundation is also supporting the work of several hospitals' oncology departments in the Republic of Lebanon, and programmes for cancer research and public education.

##### **Public Benefit**

The Foundation's aims and objectives are set out in this report including its funding of the NKBCI. The Trustees have complied with their duty under the Charities Act to have due regard to public benefit guidance published by the Foundation Commission and the Trustees have paid due regard to this guidance in deciding what activates the charitable company should undertake.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Investment Policy and Performance**

The management of a portion of the Foundation's investment funds is delegated to professional investment managers, UBS A.G. The remainder of the Foundation's funds are deposited in interest-bearing bank accounts in Lebanon. The Trustees' investment policy is to achieve growth in the investment portfolio while protecting the initial investment provided by the family of Naef K. Basile, avoiding investments with high risk. The Trustees are satisfied with the performance of the portion of its investment's funds under management with UBS A.G. However, in common with other entities holding bank deposits in Lebanese Pounds, the Foundation has been impacted by the deterioration in the economic situation in Lebanon and the resulting devaluation of that currency.

##### **Plans for Future Periods**

The management of a portion of the Foundation's investment funds is delegated to professional investment managers, UBS A.G. The remainder of the Foundation's funds are deposited in interest-bearing bank accounts in Lebanon. The Trustees' investment policy is to achieve growth in the investment portfolio while protecting the initial investment provided by the family of Naef K. Basile, avoiding investments with high risk. The Trustees are satisfied with the performance of the portion of its investment's funds under management with UBS A.G. However, in common with other entities holding bank deposits in Lebanese Pounds, the Foundation has been impacted by the deterioration in the economic situation in Lebanon and the resulting devaluation of that currency.

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## **THE NAEF K. BASILE FOUNDATION**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2020**

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#### **FINANCIAL REVIEW**

All of the Foundations' income is investment income, obtained from dividends received from fixed asset investments and interest yielded on bank deposit accounts. All income is classified as unrestricted and is used to meet the Foundations objectives. The investment income received during the year ended 30 November 2020 and the associated expenditure are shown as unrestricted funds in the Statement of Financial Activities.

During the year ended 30 November 2020, total expenditure of \$37,111 (2019 - \$49,604) was more than covered by the Foundation's investment income. The excess of income over expenditure for the year (excluding foreign exchange gains, disposals and valuation losses on the investment portfolio) was \$390,519 (2019 – surplus \$718,703).

At 30 November 2020, the market value of fixed asset investments was \$1,719,428 (2019 - \$1,640,707) and movements in fixed asset investments are shown in Note 8 to the financial statements.

#### **Reserves Policy**

The policy of the Trustees is to maintain and build up its reserves by judicious management of investments and to make payments from those reserves so that its charitable objectives can be achieved. The Foundation's investment advisers throughout this period were UBS A.G.

#### **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues 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.

#### **Risk Management**

The trustees are responsible for the management of the risks faced by the Foundation. Risks are identified, assessed and controls established throughout the year.

Through the risk management processes established for the Foundation, the Trustees are satisfied that they have taken the steps that could reasonably be expected to mitigate major risks where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that the major risks have been managed.

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**THE NAEF K. BASILE FOUNDATION**

**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**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 charitable company'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 charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 14 OCT. 2021 and signed on its behalf by:

M. T. Basile

**M T Basile**  
**Chair of Trustees**

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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The Trustees (who are also the directors of the Foundation for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company 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 Foundation 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 judgements 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 Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:

  
.....  
**M T Basile**  
Chair of Trustees  
Date:

14 OCT. 2021



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NAEF K. BASILE FOUNDATION**

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**Opinion**

We have audited the financial statements of The Naef K. Basile Foundation (the 'Foundation') for the year ended 30 November 2020 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 November 2020 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

**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 charitable company 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**

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 charitable company'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 authorised for issue.

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**THE NAEF K. BASILE FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NAEF K. BASILE FOUNDATION**  
**(CONTINUED)**

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**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 Auditors' 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.

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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NAEF K. BASILE FOUNDATION**  
**(CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 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:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NAEF K. BASILE FOUNDATION**  
**(CONTINUED)**

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**Stephen Poleykett BA (Hons) FCA, Senior Statutory Auditor**

for and on behalf of

**MHA MacIntyre Hudson**

Statutory Auditor

London

Date: 26/10/2021

**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Note	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
<b>Income from:</b>				
Investments	4	338,040	338,040	629,138
<b>Total income</b>		<b>338,040</b>	<b>338,040</b>	<b>629,138</b>
<b>Expenditure on:</b>				
Raising funds		37,111	37,111	49,604
<b>Total expenditure</b>		<b>37,111</b>	<b>37,111</b>	<b>49,604</b>
Net gains on investments		118,721	118,721	142,643
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>419,650</b>	<b>419,650</b>	<b>722,177</b>
<b>Other recognised gains/(losses):</b>				
Foreign exchange losses		(29,131)	(29,131)	(3,474)
<b>Net movement in funds</b>		<b>390,519</b>	<b>390,519</b>	<b>718,703</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		8,964,922	8,964,922	8,246,219
Net movement in funds		390,519	390,519	718,703
<b>Total funds carried forward</b>		<b>9,355,441</b>	<b>9,355,441</b>	<b>8,964,922</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

All income and expenditure in both the current and previous years were to / from unrestricted funds.

The notes on pages 13 to 20 form part of these financial statements.

**THE NAEF K. BASILE FOUNDATION**  
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**REGISTERED NUMBER: 03666904**


**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2020**

	Note	2020 \$	2020 \$	2019 \$	2019 \$
<b>Fixed assets</b>					
Investments	8		1,719,428		1,640,707
			<u>1,719,428</u>		<u>1,640,707</u>
<b>Current assets</b>					
Debtors	9	977		289,794	
Cash at bank and in hand		7,661,536		7,052,098	
		<u>7,662,513</u>		<u>7,341,892</u>	
Creditors: amounts falling due within one year	11	(26,500)		(17,677)	
<b>Net current assets</b>			7,636,013		7,324,215
<b>Total net assets</b>			<u>9,355,441</u>		<u>8,964,922</u>
<b>Charity funds</b>					
Unrestricted funds			9,355,441		8,964,922
<b>Total funds</b>			<u>9,355,441</u>		<u>8,964,922</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

  
 .....  
**M T Basile**  
 Chair of Trustees  
 Date: 14 OCT. 2021

The notes on pages 13 to 20 form part of these financial statements.

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**THE NAEF K. BASILE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**1. General information**

The Naef K Basile Foundation is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1072838) and the Registrar of Companies (Company Registered Number 03666904) in England and Wales.

The address of the registered office is given in the Foundation information on page 1 of these financial statements. The nature of the Foundation's operations and principal activities are detailed in the Trustees Report.

In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in US Dollars which is the functional currency of the Foundation and balances are rounded to the nearest US Dollar.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Trustees Report and accounts.

**2.3 Income**

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

Investment income is earned through holding assets for investment purposes such as shares and it is included when the amount can be measured reliably. It includes dividends and interest from the Foundation's portfolio of investments, which are recognised as the Foundation's right to receive payment is established.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. 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 on raising funds includes all expenditure incurred by the Foundation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Foundation's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

**2.7 Taxation**

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**2. Accounting policies (continued)**

**2.8 Investments**

Fixed asset investments are a form of basic financial instrument and are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in Net gains / (losses) on investments in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Fair value is deemed to be market value using closing quoted market price. The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 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.

**2.11 Liabilities and provisions**

Liabilities 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.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**2.12 Financial instruments**

The Foundation only holds basic Financial Instruments. The financial assets and financial liabilities of the Foundation are as follows:

Debtors – accrued income is a basic financial instrument and is a debt instrument measured at amortised cost as detailed in Note 9.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors and accruals will be classified as financial instruments, and are measured at amortised cost as detailed in Note 11.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**2. Accounting policies (continued)**

**2.13 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 Foundation and which have not been designated for other purposes.

**3. Critical accounting estimates and areas of judgement**

Estimates and judgements 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 Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The basis of valuation of financial investments is an area of judgement (apart from those involving estimates) that has been made in the process of applying the above accounting policies. This has had the most significant effect on amounts recognised in the financial statements.

**THE NAEF K. BASILE FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

**4. Income from investments**

	<b>Unrestricted funds 2020 \$</b>	<b>Total funds 2020 \$</b>
Dividend - equity	62	<b>62</b>
Interest - deposits	337,978	<b>337,978</b>
<b>Total 2020</b>	<b>338,040</b>	<b>338,040</b>
	<i>Unrestricted funds 2019 \$</i>	<i>Total funds 2019 \$</i>
Dividend - equity	118	118
Interest - deposits	629,020	629,020
<i>Total 2019</i>	<i>629,138</i>	<i>629,138</i>

**5. Expenditure on raising funds**

	<b>2020 \$</b>	<b>2019 \$</b>
Investment management costs	<b>(7,273)</b>	19,291
Legal and professional fees	<b>36,329</b>	22,190
Governance costs	<b>8,000</b>	8,000
Bank charges	<b>55</b>	123
	<b>37,111</b>	<b>49,604</b>

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**THE NAEF K. BASILE FOUNDATION**  
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**6. Governance costs**

	<b>2020</b>	<i>2019</i>
	<b>\$</b>	<b>\$</b>
Auditors' remuneration - Audit of the financial statements	<b>8,000</b>	<i>8,000</i>
	<b>8,000</b>	<i>8,000</i>

**7. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (*2019 - \$NIL*).

During the year ended 30 November 2020, no Trustee expenses have been incurred (*2019 - \$NIL*).

**8. Fixed asset investments**

	<b>Listed investments \$</b>
<b>Cost or valuation</b>	
At 1 December 2019	<b>1,640,707</b>
Disposals	<b>(40,000)</b>
Revaluations	<b>118,721</b>
At 30 November 2020	<b>1,719,428</b>
<b>Net book value</b>	
At 30 November 2020	<b>1,719,428</b>
<i>At 30 November 2019</i>	<i>1,640,707</i>

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**Analysis of type of investments**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>UK investments</b>		
Equity instruments	<b>41,008</b>	46,744
	<b>41,008</b>	46,744
<b>Overseas investments</b>		
Bond instruments	<b>1,176,890</b>	1,147,303
Equity instruments	<b>173,214</b>	148,205
Money market time	<b>7,474</b>	7,397
Alternative investments	<b>281,125</b>	253,713
Asset allocation funds	<b>39,717</b>	37,345
	<b>1,678,420</b>	1,593,963
Total	<b>1,719,428</b>	1,640,707

**9. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Due within one year</b>		
Accrued income	<b>977</b>	289,794
	<b>977</b>	289,794

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**10. Cash at bank and in hand**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current account (USD 2)	<b>2,409</b>	2,405
Current account (USD 1)	<b>58,119</b>	36,789
Current account (CHF 2)	<b>302</b>	275
Current account (EUR 1)	<b>7,866</b>	7,260
BML Current account (USD)	<b>6</b>	597,514
BML Deposit account 1 (USD)	<b>463,869</b>	456,144
BML Deposit account 3 (LBP)	-	3,314,764
BML Deposit account 5 (LBP)	-	2,636,947
BML Deposit Account 6 (LBP)	<b>6,525,291</b>	-
BML Deposit Account 7 (LBP)	<b>603,676</b>	-
	<b>7,661,538</b>	<b>7,052,098</b>

**11. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Accruals	<b>26,500</b>	17,677

**12. Related party transactions**

There were no related party transactions during the year (2019 - \$NIL).