



# THE HANNA FOUNDATION

Annual Report 2020



# Contents

Contents	3
Legal and Administrative Information	4
Trustees	4
Registered Office	4
Structure and Governance	6
Overview of Activities	6
Achievements and Performance	7
Financial Review	11
Investment Policy and Reserves	11
Risk Management	12
Declaration	12
The Endowment Fund	16
Fund Objectives	16
Fund and Investment Policy	17
Key Data and Performance	18
Investment Portfolio and Asset Allocation	19
Expenses	20
Financial Statements	22

# Legal and Administrative Information

## Trustees

Efthimios Hanna

Hanna Samuel Hanna

Lydia Hanna, PhD

Magali O. Hanna

Maria Hanna

## Registered Office

### United Kingdom

The Hanna Foundation  
16 Icení Way  
Cambridge CB4 2NZ  
United Kingdom

### Greece

The Hanna Foundation  
The Hanna Centre,  
Central Square, Styliá  
Fthiotida 35300, Greece



# Structure and Governance

The Hanna Foundation ("Foundation") is a registered charity (number 1159761) operating since 2<sup>nd</sup> January 2015. Formerly acting as an unincorporated association since 20<sup>th</sup> October 2013, The Hanna Foundation was established in accordance with the wish and honour of the Hanna family to provide education, healthcare, relief of poverty and the promotion of Greek culture. The Hanna Foundation is governed by constitution, constituted by association and trustees are selected by the existing trustees.

## Overview of Activities

### **Principle Objectives**

The principal objectives of the foundation are:

1. The prevention or relief of poverty by providing grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty;
2. To promote and protect the physical and mental health of people suffering ill health through the provision of financial assistance, support, education and practical advice;
3. To advance the education of the general public in such ways as the trustees think fit, including by awarding to such persons scholarships, awards, maintenance allowances or grants tenable at any university, college or institution of higher or further education;
4. To promote Greek culture, advancing the education of the public in Greek civilisation and language through the provision of grants, goods or services.

## **Principle Activities**

The principal activities of The Hanna Foundation primarily concern the provision of grants to students and other health related charities.

The process of university student donations has changed since 2019. We are now relinquishing the entire selection process to the appropriate Cardiff University teams which will continue to follow the criteria and support that we had in mind when we started this scholarship. This change will in turn permit them to manage the various donations they receive more efficiently and will allow us to pursue more charitable objectives and organisations in line with our principles.

Other grants are handled in an ad-hoc basis where each trustee can recommend a candidate organisation or fundraiser.

## **Achievements and Performance**

The key achievement of The Hanna Foundation during the year of review were:

1. Establishment of The Hanna Foundation Endowment Fund. This fund will be managed inhouse, investing the capital for grant making activities and for growth. The aim of the fund is to ensure responsible and long-term management of capital and should be able to protect against inflation whilst providing fairly dependable income annually.
2. Retained our ability to still make donations even during the difficult period of COVID-19 pandemic and having lost our long-term backing.
3. Able to secure donations from new sponsors.





# Financial Review

House of the Dolphins,  
Delos, Greece



# Financial Review

All activities of The Hanna Foundation are funded exclusively by public and corporate donations, with strict ethical requirements and diligence forming the core selection criterions. The Hanna Foundation strives to ensure 100% managing efficiency with all proceeds and expenses covered by our sponsors and by the foundation members and trustees.

## Investment Policy and Reserves

Our investment policy since establishing the Foundation has been to retain reserves in a non-interest earning capacity and is to be reviewed annually. The fundamental reasons were to reduce the compliance and regulatory obligations as such the need to incorporate a Company Limited by Guarantee, produce HMRC tax returns and in turn require further accountancy services which would ultimately reduce the funds available for donations.

Since 2020 however, we have decided to change our approach to this since our donor from the beginning of the Foundation has regrettably ceased to contribute annually to our Foundation and had notified us of their intention over a year ago. This has resulted in the foundation needing to find, besides additional donors; a more sustainable way to ensure funding.

For this reason, the Trustees has agreed to start an endowment fund, to be called the Hanna Foundation Endowment Fund ("The Fund") which will work with a final donation from our donors and from any top-ups throughout the life of the funds. We will dedicate a chapter in our Annual Report going forward that will present the reader with the investment policy, research and objectives of the fund and its respective performance.

# Risk Management

The Trustees are responsible for establishing and monitoring internal control systems within the Foundation. The major risks which may impact the activities of the Foundation have been reviewed during the year and the Trustees are satisfied that the system of internal controls currently in place is adequate, whilst recognising that they are designed to manage rather than eliminate risk. Internal controls are reviewed on an on-going basis as part of the day-to-day risk management process within the Foundation.

# Declaration

The Trustees are aware there is no relevant audit information of which the charitable group auditor is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. Finally, the trustees declare that they have approved the trustees' report above and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Eh' followed by a long horizontal stroke with a small upward tick at the end.

Efthimios Hanna, Trustee

13<sup>th</sup> December 2020



# The Hanna Foundation Endowment Fund

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Delos, Greece



# The Endowment Fund

An introduction of the Hanna Foundation Endowment Fund (“The Fund”, “Endowment Fund” or “HFEF”) is provided in this section. The Fund’s objectives, management and performance will be shown and updated annually from its conception.

For more information on the Fund, please contact us.

## Fund Objectives

The objective of the Fund is to provide long-term capital growth and passive income in the form of dividends and bond coupons, whilst preserving the capital in an inflation protected manner. It should be able to provide a fairly dependable income each year which can be used to both grow the Endowment fund (re-invest profits) but more importantly, to be able to allow the Foundation to continue with its grant-making objectives and policy.

In addition, it should – to the best of its abilities and within its means of control – strive to do so regardless of the economic or political situation during that year.

# Fund and Investment Policy

The Trustees have agreed to allow flexibility of the fund's management; however, it should be defensive and where possible able to produce annual distributions. On conception, it will be modelled after the "Golden Butterfly" portfolio allocation that was created by Portfolio Charts. In summary the target allocation is: 20% Total Stock Market, 20% Small Cap Value, 20% Long Term Bonds, 20% Short Term Bonds and 20% Gold.

As we shall see further on, the portfolio might seem very defensive in nature, with a high allocation to bonds and gold, however, the Trustees still believe it would be a prudent way to start with the Endowment Fund. Arguably, it might be said that the Golden Butterfly portfolio might be better suited for largest portfolios that are more interested in preserving their capital and reducing risk and volatility.

In the case of the Hanna Foundation, whilst the initial period would benefit from a larger capital gain due to the modest size of our initial fund, the Trustees have unanimously agreed that it would be prudent to guard the capital and ensure this is a fundamental priority at all times over potential capital gain.

# Key Data and Performance

Key Data of the portfolio and its performance since inception is summarised below:

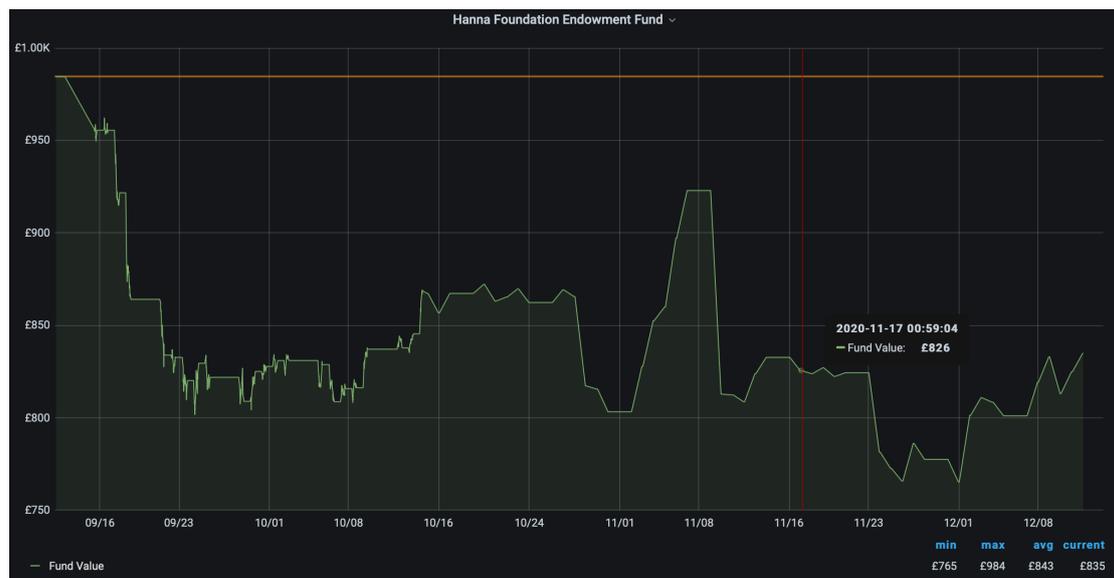
## Fund Information

Fund Type:	Private
Fund Launch:	11 <sup>th</sup> September 2020
Bloomberg LEI:	254900HVV418CW520S12
Investment Platform Provider:	Hargreaves Lansdown plc

Key Data	2020	Inception
Portfolio Capital	£857.28	£1,000.00
Investments *	£841.64	£0.00
Uninvested Cash	£15.64	£1,000.00
Number of Individual Assets	1	1
Number of Underlying Holdings	1	1
Profit/Loss (adjusted for dividends, fees and cash balance)	(14.27%)	-

\* Value as of 17<sup>th</sup> November 2020

## Asset Performance since Inception (not adjusted for dividends, fees or cash balance)



# Investment Portfolio and Asset Allocation

As with most portfolios that have a target allocation, rebalancing is usually necessary which seeks to re-establish the percentage allocations of each asset to their original ratios. Rebalancing can either occur from selling off the performing assets and with the proceeds purchasing the non-performing assets, or another way would be to use newly donated money to rebalance. The option and frequency will be left to the Trustees to agree, since constant rebalancing is a costly process due to brokerage fees, therefore the initial period set is annually and most likely when the asset allocation jumps 20% outside the target range. The current and target portfolio allocation is shown hereinbelow:

<b>Asset Allocation</b>	<b>Current %</b>	<b>Target %</b>
Total Stock Market	0	20
Small Cap Value	0	20
Long Term Government Bonds (20Y+)	0	20
Short Term Government Bonds (1-3Y)	0	20
Gold	100	20
<b>Total</b>	100	100

The composition to date is shown below:

<b>Current Instrument Type Allocation</b>	<b>Current £</b>
Exchange Traded Funds	0.00
Traditional Index Funds	0.00
Individual Stocks & Shares	0.00
Polymetal International PLC (POLY.L)	841.64
Cash/Currency	15.64
<b>Total Assets</b>	857.28

# Expenses

It is critical for the success of the fund to main a low expense ratio of the funds but also the brokerage platform. The expense ratio of the fund is an internalised deduction (i.e. the net value of the fund has the fees deducted) and they are listed herein below:

All Single Named Stocks 0.00%

Whilst there are no holding fees for the brokerage account we have used, nor any monthly service fees, there are dealing fees of £11.95 (depending on trades done per month) for buy orders outside the regular investment or sell order.

Total Fees incurred to date:

Fee Type	2020 £
Dealing Costs	11.95
<b>Total</b>	<b>11.95</b>

# Financial Statements

House of the Dolphins,  
Delos, Greece

# Financial Statements

## Receipts and Payments Accounts

To the nearest £ with cross currency amounts converted to £ according to realised cost.

	2020	2019
	£	£
Corporate Donations	1,950	1,350
Asset and Investment Sales	0	0
<b>Total Receipts</b>	<b>1,950</b>	<b>1,350</b>
Direct Charitable Activity	770	1,350
Assets and Investment Purchases	1,000	0
<b>Total Payments</b>	<b>1,770</b>	<b>1,350</b>
Net of Receipts/(Payments)	180	0
Cash Funds from Previous Year End	0	0
<b>Cash Funds</b>	<b>180</b>	<b>0</b>

## Statement of Assets and Liabilities

To the nearest £ with cross currency amounts converted to £ according to realised cost.

	2020	2019
	£	£
Cash Funds	180	0
Other Monetary Assets	16	0
Investment Assets	842	0
Assets Retained for Use	0	0
<b>Total Assets</b>	<b>1,038</b>	<b>0</b>
Liabilities	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>
<b>Net Balance</b>	<b>1,038</b>	<b>0</b>