

Registered company number: 07657300

Registered charity number: 1142413

THE BADUR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2016

THE BADUR FOUNDATION

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Csaba Barta
Daniel Hallgarten
Judit Durst
Zsombor Barta

Registered office

Marble Arch House
66 Seymour Street
London
W1H 5BT

Auditors

Macalvins Limited
7 St. John's Road
Harrow
Middlesex
HA1 2EY

Solicitors

Bates Wells and Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Bankers

C Hoare & Co.
37 Fleet Street
London
EC4P 4DQ

Investment managers

C Hoare & Co.
37 Fleet Street
London
EC4P 4DQ

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

The Trustees are pleased to present their report together with the charity's financial statements for the year ended 30 June 2016.

The report has also been prepared to meet the requirements for a directors' report and accounts for the purposes of the Companies' Act. It complies with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

The directors of the charitable company (the "Foundation") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

Objectives and activities

The Foundation has very wide objects and can support any charitable institution or charitable purpose. It aims to tackle poverty through education, social enterprise and innovative technologies and also, people and projects focused on helping marginalised and disadvantaged individuals and groups who want to help themselves improve their future prospects and those of their communities. It aims to work with organisations trying to overcome the social exclusion of individuals and communities in some of the most deprived areas of the UK, Hungary and Laos.

A focal objective of the Foundation is education and its funding and strategic support. It believes education can bring about changes for those on the margins of society via better employment opportunities, job security and higher wages. It places a high value on projects that it believes will challenge societal attitudes towards social exclusion, and towards those striving to bring about change in the acceptance of minority groups. In addition to such projects, the Foundation actively looks for intermediaries, delivery partners and co-funders with whom it can work closely. In forging these partnerships, hopefully for the long term, the Foundation would like to provide creative financial assistance alongside expert, practical and professional guidance, capacity building, incubation and acceleration.

Another key criteria for the Foundation is the sustainability of projects. It aims to nurture local organisations to become more self-reliant. In funding projects which provide an example of good practice for other organisations, the Foundation hopes that they will act as catalysts for local communities and access to other sources of funding but also be role models that have the potential to be replicated.

Structure, Governance and Management

Governance

The Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission. There are currently 2 members (2015 : 2), each of whom agrees to contribute £1 in the event of the charity winding up.

Appointment of trustees

The Trustees named on page 2 have served throughout the year. The power to appoint new trustees is vested in the members of the Foundation. In considering the recruitment of a new trustee, the members would look to individuals with experience, empathy and knowledge of the Foundation's work.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Trustee induction and training

New trustees undergo an orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the aims of the Foundation and recent financial performance of the charity. During the induction period they would meet key employees and other trustees. Continuing training for Trustees is undertaken through regular meetings, attending relevant seminars, specific discussions with individuals and organisations and briefing papers in the areas supported by the Foundation.

Organisation

Trustees meet every three to four months to consider grant applications, receive progress reports on ongoing projects and to review performance of the investment portfolio. They also consider strategic matters concerning their grant-making policy.

Currently, the Foundation has project co-ordinators. They manage the day-to-day operations under delegated authority of the Trustees for matters concerning grant monitoring and impact evaluation.

The Trustees confirm that they have had regard to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities, setting grant-making policy and in making grants.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the Foundation. Any connection between a trustee and a beneficiary organisation is disclosed to the full board of trustees in the same manner as any other contractual relationship with a related party. In the current year no such related party transactions were reported; those of a contractual nature are shown in Note 15 of the financial statements.

Overview of activities

During the year, the Foundation made grants totalling £262,214 to organisations in Laos and Hungary. It also continued to monitor and evaluate its multi-year, ongoing grants in the UK. Grants made during the year are listed in Note 4 on Pages 15 and 16.

Hungary

The Foundation's grant-making activities in Hungary are now well-established, with a full-time country manager monitoring existing projects and working with strategic partner organisations who are embedded in local community projects.

Many of the grants made in this region focus on improving the opportunities available to Roma communities and breaking down the discrimination they suffer from early age education right through to adult employment. A good example of a project trying to making a difference in the education arena is the Ja Bhim charity and its new school in the North Eastern part of Hungary. With the support of the Foundation, through a capital grant, the Jai Bhim charity acquired a building and converted it into a school where for the first time, it will be possible to provide non-segregated, high quality education for disadvantaged Roma and non-Roma youth, and for those who are looking for an alternative to the standard state education provided in Hungary's third largest city. The ongoing day to day operational

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

costs of the school will be financed by the central government's education department just like every other school.

The Foundation also made grants to a number of organisations setting-up or operating social enterprises. In one particular project, the Foundation partnered with NESst Hungary to launch the 'Springboard Programme' for innovative social enterprises. The aim of the programme was to identify and develop social enterprises that improve the employment chances and livelihood of people in deep poverty. Working with a team from NESst, the Foundation evaluated dozens of written applications, selecting four organisations to receive intensive capacity-building and mentoring throughout the spring and summer of 2016. After presenting their detailed business plans, two promising projects were identified to receive further financial and professional support enabling each organisations to realise their social enterprise.

Laos

The Foundation continued its support of the community and educational projects managed by the Buddhist Heritage Project ("BHP") based in Luang Prabang. Over the years, the Foundation has found BHP's skill and experience invaluable as local delivery partner. This was particularly the case in the expansion of a local Buddhist secondary school that continues to thrive.

BHP are now embarking on fundraising drive to raise the necessary fund for the construction of a Vocational School of Arts within the grounds of the main secondary school. An interesting aspect of the proposed School of Arts and its building design is that the planned structures will be unfinished in architectural detail. These details will be completed by the students as they learn the traditional artisan skills. Through their classes, they will decorate, paint and stencil the walls, complete the roof and eaves detailing and design and make the decorative roof eave supports. The buildings will be a 'living' project, which will progress as the students learn and benefit from hands-on training. The Vocational School of Arts will play an integral part in maintaining the cultural heritage of the Lao people for generations to come.

The Foundation has seen the success the secondary school has had on this local community and how it has encouraged them to expand their ambitions.

UK

The Foundation started funding projects in the UK which approach social problems in pioneering and innovative ways. Education remains at the core of the Foundation's remit and so it seeks to support initiatives that use this as their primary focus, providing opportunities otherwise unattainable by those from less advantaged backgrounds or communities.

The Foundation is supporting three diverse projects through its grants with the University of Nottingham. This is the second year of the 3 year grant to Nottingham Potential, the University's pioneering programme which aims to open up opportunities for young people experiencing educational disadvantage.

Once again this year, the Foundation supported a project initiated by Enactus Nottingham. This is a successful student led organisation that develops and implements community projects; in the process, the students gain invaluable experience in entrepreneurship. The project is called Re-covered, and it employs and trains vulnerable adults to refurbish and recycle otherwise unwanted furniture which is then sold at a discounted price to local council and housing association tenants. Since it started trading in 2015, Re-covered has established itself as the go-to source for the cheapest furniture option to low-income households in Nottingham.

The Foundation is keen to expand its grant-making in the UK and has now employed a full-time grants manager dedicated to exploring opportunities and forging long-term partnerships.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Detailed information about all the projects funded by the Foundation - both past and current – can be found on its website www.badurfoundation.org

Future activities

The Trustees intend to continue with their current strategy where education and social investment remain the key pillars of all their grant-making. The Foundation seeks to be flexible offering not only grants but support in the form of relevant skills be it advice on how to build capacity or in financial management. It has received positive feedback from grant holders in this regard and is encouraged to continue offering this manner of support in the future.

Financial review

The Foundation's net loss for the year was £20,020 (2015: net income £854,963). During the year, the Foundation received donations totalling £23,618 (2015: £1,018,164) to enable it to continue its existing grant making operations.

As at 30 June 2016, the net assets were £2,317,374 (2015: £2,337,394).

Investments

The Trustees changed investment managers towards the end of the last financial year moving funds to C. Hoare and Co under a discretionary mandate. The new manager in setting the asset allocation for the enlarged portfolio was advised to follow the medium risk strategy set previously, and in their selection of investments consider, generally, the social, ethical and environmental aspects given the funds are ultimately held for charitable purposes.

The market value of the Foundation's investment portfolio as at 30 June 2016 is shown in Note 7 on page 17. The higher value of cash held at this date is due to the transition from the previous manager to the new one.

Reserves

The Trustees aim to establish a level of unrestricted funds, in real terms, that ensures they can meet the future funding requirements of the Foundation's existing grant commitments. It is also envisaged that the unrestricted reserves as at 30 June 2016 of £2,317,374 would be financially adequate and flexible enough to provide for the Foundation's other and future grant commitments.

The Capital fund is held as an unrestricted fund representing tangible fixed assets and an investment portfolio managed under a discretionary mandate.

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 ongoing basis as part of the day-to-day risk management process within the Foundation.

The risk within the charity lies with its grant giving and the Trustees have established a comprehensive monitoring process to manage this risk.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Statement of trustees' responsibilities

The Trustees (who are also directors of the Badur Foundation Limited 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 period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's 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.

Auditors

Macalvins Limited was re-appointed as the Foundation's auditors and has expressed their willingness to continue in that capacity.

Approved by the Board on 24 March 2017 and signed on its behalf by:



Csaba Barta
Trustee

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

We have audited the financial statements of The Badur Foundation for the period ending 30 June 2016 which are set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 June 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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.



Shailesh V. Patel (Senior Statutory Auditor)

For and on behalf of

Macalvins Limited

Chartered Accountants and

Statutory Auditors

7 St. John's Road

Harrow

Middlesex HA1 2EY

28/3/2017

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STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2016

	Note	Unrestricted Income Fund	Unrestricted Capital Fund	Total Funds	Total Funds
		2016 £	2016 £	2016 £	2015 £
Income from:					
Donations and legacies	2	23,618	-	23,618	1,018,164
Income from investments:					
Investment income	3	11,306	777	12,083	7,263
Total income		34,924	777	35,701	1,025,427
Expenditure on:					
Costs of raising funds		-	18,077	18,077	5,186
Expenditure on charitable activities	4	387,484	13,549	401,033	185,926
Total expenditure		387,484	31,626	419,110	191,112
Net income for the year before gains and losses		(352,560)	(30,849)	(383,409)	834,315
Realised investment gains/(losses):					
- on foreign currency		40,874	-	40,874	(44,220)
- on fixed asset investments		-	(36,043)	(36,043)	87,743
		40,874	(36,043)	4,831	43,523
Unrealised investment gains/(losses):					
- on foreign currency		(11,148)	-	(11,148)	(18,427)
- on fixed asset investments		-	369,706	369,706	(4,448)
		(11,148)	369,706	358,558	(22,875)
Net gains/(losses) on investments		29,726	333,663	363,389	20,648
Net income		(322,834)	302,814	(20,020)	854,963
Transfer between funds		(45,867)	45,867	-	-
Net movement in funds		(368,701)	348,681	(20,020)	854,963
Reconciliation of funds					
Balance brought forward at 1 July 2015		422,003	1,915,391	2,337,394	1,482,431
Balance carried forward at 30 June 2016	12	53,302	2,264,072	2,317,374	2,337,394

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

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

All activities are classed as continuing.

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BALANCE SHEET

30 JUNE 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	7	2,231,700	1,903,354
Tangible assets	8	32,372	12,037
		<u>2,264,072</u>	<u>1,915,391</u>
Current assets			
Cash at bank and in hand		178,519	618,092
Prepayments		23,749	-
Other debtors		-	708
		<u>202,268</u>	<u>618,800</u>
Current liabilities			
Creditors: amounts falling due within one year - unrestricted	9	(148,966)	(146,797)
Net current assets		<u>53,302</u>	<u>472,003</u>
Total assets less current liabilities		<u>2,317,374</u>	<u>2,387,394</u>
Creditors : amounts falling due after more than one year - unrestricted	10	-	(50,000)
Net assets		<u>2,317,374</u>	<u>2,337,394</u>
Funds			
Unrestricted capital fund		2,264,072	1,915,391
Unrestricted income fund		53,302	422,003
Total unrestricted funds	11	<u>2,317,374</u>	<u>2,337,394</u>

The financial statements were approved by the Board of the Badur Foundation on 24 March 2017 and signed on their behalf by:



Csaba Barta
Trustee

The notes on pages 13 to 20 form part of these financial statements.
Company number 07657300.

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CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2016 £	2015 £	2015 £
Net cash inflow from operating activities (Note 13)		(467,507)		695,617
Returns on investment and servicing of finance				
Dividends received	11,207		7,254	
Interest received	99		9	
		11,306		7,263
Capital expenditure and financial investment				
Proceeds from sale of investments	1,024,695		1,330,114	
Purchase of fixed assets	(19,191)		-	
Purchase of investments	(2,256,783)		(1,883,156)	
		(1,251,279)		(553,042)
Effect of currency translation on cash and cash equivalents		92,758		13,781
Net increase in cash		(1,614,722)		163,619

Analysis of net funds

	Net balance at 1 July 2015 £	Cash increase in the year £	Net balance at 30 June 2016 £
Cash at bank	618,092	(439,573)	178,519
Investment cash	1,343,445	*(1,175,149)	168,296
	1,961,537	(1,614,722)	346,815

*

Increase/(decrease) in cash awaiting investment (note 7)	(1,238,181)
Unrealised gains on cash held for investment	63,032
	<u>(1,175,149)</u>

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

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies

a) Basis of financial statements

The financial statements have been prepared under the historical cost convention as modified by the policies on investment revaluations and 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. At the date of transition, in applying the requirement to recognise liabilities arising from employee entitlement to paid annual leave, no material restatement was determined. Hence no reconciliation of opening balances has been produced.

c) Income

Donations are recognised in the period in which the Foundation is entitled to receipt and the amount can be measured with reasonable certainty. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. Gift aid is added to the value of the donation to which it relates.

Investment income is accounted for on a receivable basis.

Donated services are recognised on the basis of the value of the gift to the charity as determined by the donor where such a cost is quantifiable and measureable; a corresponding amount is then recognised in expenditure in the period of receipt. No income is recognised where there is no financial cost incurred by the third party.

d) Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants payable are charged in the year where 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 are fulfilled or at the point when the fulfilment of the conditions are no longer seen to be within the control of the Trustees. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

e) Support costs

Support costs are allocated to the charitable activity as incurred.

f) Governance costs

Governance costs comprise of all costs involving the public accountability of the charity and costs related to statutory requirements.

g) Investments

Investments, listed and quoted, are included at market value. The valuation is provided by a third party fund manager. Unquoted investments are carried at the Trustees' valuation.

h) Taxation

The Foundation is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

i) Fixed assets depreciation policy

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold improvements	Period of the lease
Furniture, fittings and equipment	3 years
Website development and design	3 years

j) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the balance sheet. All differences are taken to the Statement of Financial Activities.

k) Going concern

Where total liabilities exceed current assets, the Trustees consider the ability of the Foundation to continue to meet these obligations (as and when they fall due) from liquid assets, and also the continuing support they receive from their donors and creditors. If the Trustees are satisfied that the Foundation can meet its obligations then financial statements are prepared on a going concern basis.

The Trustees are of the view that the Foundation has sufficient cash balances to meet its grant commitments, reporting a net current asset balance at 30 June 2016 of £53,302 and on this basis it is a going concern.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

2. Income from donations and legacies

	2016	2015
	£	£
Donation of cash - restricted	-	8,164
Donation of cash – unrestricted	13,618	1,000,000
Value of services received treated as a donation - unrestricted	10,000	10,000
	<u>23,618</u>	<u>1,018,164</u>

3. Investment income

	2016	2015
	£	£
Bank interest	99	9
Dividend income	11,984	7,254
	<u>12,083</u>	<u>7,263</u>

4. Expenditure on charitable activities

	2016	2015
	£	£
Grant-making (see below)	262,214	106,677
Support costs	127,919	67,300
Governance costs	10,900	11,949
	<u>401,033</u>	<u>185,926</u>

The Foundation concentrates its efforts on its grant making activities and hence no allocation of support costs by activity has been undertaken. Governance costs comprise legal fees (£5,500) and audit fees (£5,400).

Trustees received no remuneration but were reimbursed for out-of-pocket expenses of £614 in 2016.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2016

Expenditure on charitable activities continued

The following grants were made during the year :

	2016	2016
	£	£
Buddhist Heritage Project – contribution towards operating costs	44,885	
Buddhist Heritage Project – contribution towards design plans for new vocational arts school	2,840	
	<hr/>	47,725
Jai Bhim Charity – contribution towards purchase of a building and its refurbishment		164,010
Enactus – contribution towards purchase of equipment and associated costs as part of the Re-covered furniture project		15,000
NESst Foundation – contribution towards nurturing social enterprise projects		19,078
Pearl Foundation – contribution towards social enterprise initiative		16,401
		<hr/>
Total of grants awarded		<u>262,214</u>

5. Employees

The average number of employees during the year was 2 (2015: 2). The number of employees who received remuneration amounting to more than £60,000 in either year is nil.

Salaries and associated social security costs during the year were £31,065 (2014: £19,852).

6. Net incoming resources

	2016	2015
	£	£
This is stated after charging:		
Auditors' remuneration	5,400	5,400
Depreciation	6,345	9,035
Loss on disposal of tangible fixed assets	7,204	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2016

7. Investments

	2016 £	2015 £
Market value at 1 July 2015	1,903,354	1,277,763
Purchases made during the year	2,256,783	1,883,156
Sales proceeds received	(1,024,695)	(1,330,114)
Increase/(decrease) in cash awaiting investment	(1,238,181)	65,682
Scrip dividends received	777	-
Gains and (losses) on investments for the year		
- Realised	(36,043)	11,315
- Unrealised	369,705	(4,448)
	<u>2,231,700</u>	<u>1,903,354</u>
Market value at 30 June 2016	<u>2,231,700</u>	<u>1,903,354</u>

Analysis of market value at 30 June 2016

	2016 £	2015 £
Equities – listed on a recognised Stock Exchange	545,138	173,310
Bonds	1,227,529	346,702
Absolute return funds	290,737	39,897
Cash awaiting investment	168,296	1,343,445
	<u>2,231,700</u>	<u>1,903,354</u>
Market value at 30 June 2016	<u>2,231,700</u>	<u>1,903,354</u>

8. Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and equipment £	Website design and development £	Total £
Cost				
At 1 July 2015	18,009	10,106	5,956	34,071
Additions during the year	33,303	581	-	33,884
Disposal during the year	(18,009)	-	-	(18,009)
At 30 June 2016	<u>33,303</u>	<u>10,687</u>	<u>5,956</u>	<u>49,946</u>
Depreciation				
At 1 July 2015	10,205	9,475	2,354	22,034
Charge for the year	3,547	815	1,983	6,345
Charge on disposal	(10,805)	-	-	(10,805)
At 30 June 2016	<u>2,947</u>	<u>10,290</u>	<u>4,337</u>	<u>17,574</u>
Net book value				
At 30 June 2016	<u>30,356</u>	<u>397</u>	<u>1,619</u>	<u>32,372</u>
At 30 June 2015	<u>7,804</u>	<u>631</u>	<u>3,602</u>	<u>12,037</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

9. Creditors - Amounts falling due within one year

Expiry Date	2016 £	2015 £
Grant commitments	91,635	110,102
Accruals	55,237	36,695
Other creditors	2,094	-
	<u>148,966</u>	<u>146,797</u>

10. Creditors - Amounts falling due after more than one year

	2016 £	2015 £
Grant commitments	-	50,000
	<u>-</u>	<u>50,000</u>

11. Analysis of net assets between funds

	Unrestricted income fund	Unrestricted capital fund	2016 Total £	2015 Total £
	£	£	£	£
Tangible fixed assets	-	32,372	32,372	12,037
Investments	-	2,231,700	2,231,700	1,903,354
Net current assets	53,302	-	53,302	472,003
Creditors due after one year	-	-	-	(50,000)
Net surplus	<u>53,302</u>	<u>2,264,072</u>	<u>2,317,374</u>	<u>2,337,394</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

12. Movement in funds

	Unrestricted income fund	Unrestricted capital fund	2016	2015
	£	£	Total £	Total £
Balance at 1 July 2015	422,003	1,915,391	2,337,394	1,482,431
Incoming resources	34,924	777	35,701	1,025,427
Resources expended	(387,484)	(31,626)	(419,110)	(191,112)
Realised/unrealised gains and losses	29,726	333,663	363,389	20,648
Transfer between funds	(45,867)	45,867	-	-
Balance at 30 June 2016	53,302	2,264,072	2,317,374	2,337,394

13. Reconciliation of net incoming resources to operating activities

	2016	2015
	£	£
Net income for the year before gains/(losses)	(383,409)	834,315
Depreciation charges	6,345	9,035
Loss on disposal of assets	7,204	-
Dividend and interest receivable	(12,083)	(7,263)
(Increase) in debtors	(23,041)	(708)
Increase in creditors	5,944	9,777
Increase/(decrease) in grant commitments	(68,467)	(149,539)
Net cash inflow from operating activities	(467,507)	695,617

14. Company status

The Foundation is a company limited by the guarantee of its members and incorporated in England & Wales. In the event of a winding up, each member guarantees to pay an amount not exceeding £1. At 30th June 2015, the total of such guarantees was £2.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

15. Lease commitments

At 30 June 2016 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Within one year	12,304	8,133
After one year but within five years	71,283	65,766
After five years	64,497	82,318
Total	148,084	156,217

The Foundation entered into a licence to Occupy Agreement for new premises in Marble Arch House, London, W1H 5BT on 28 August 2015. The agreement is for a term of 10 years; the annual amount payable is £15,475.

16. Related party transactions

During the year, the Foundation was invoiced for website design and disbursements totalling £37,743 (2015: £12,634) by HGT Management LLP of which a Trustee is a partner. These items were re-charged to the Foundation at cost plus VAT.

The Foundation also received bookkeeping, accountancy and administrative services from HGT Management LLP without charge. These donated services have been valued at £10,000 for the year.

As at 30 June 2016, the amount owed by the Foundation to HGT Management LLP was Nil (2015: £33,334).

Also, during the year the Foundation was invoiced for leasehold improvements and disbursements totalling £72,896 (2015: Nil) by BXR Partners LLP of which a Trustee is a partner. These items were re-charged to the Foundation at cost plus VAT.

As at 30 June 2016, the amount owed by the Foundation to BXR Partners LLP was £48,754 (2015: Nil).