

*Registered company number: 07657300*

*Registered charity number : 1142413*

**THE BADUR FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2017**

# THE BADUR FOUNDATION

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# THE BADUR FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **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**

Cazenove Schroder & Co. Limited  
12 Moorgate  
London  
EC2R 6DA

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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The Trustees are pleased to present their report together with the charity's financial statements for the year ended 30 June 2017.

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 purpose 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 as well as 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 (2016: 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.

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### ***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 £194,628 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 17 and 18.

#### ***Hungary***

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

The Foundation is now thoroughly established in Hungary through its partnership approach with a number of organisations and their projects. It is gaining a more prominent profile within the not-for-profit sector.

The first of the 'Springboard Programme' for innovative social enterprises was re-launched in February 2017 in cooperation with NESsT Hungary. The programme sought to identify and nurture social enterprises that improve the employment chances and livelihood of people in deep poverty and provide them with the vital professional and financial support needed to launch a new social enterprise. The Foundation received numerous applications for this programme from which six organisations were selected to participate in a

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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series of workshops over a five-month period to develop their business plans. At the end of this period and after a rigorous review of the final projects plans, the Foundation agreed to support the launch of an organisation's mobile charity shop. The mobile shop will provide access to quality clothing at a very affordable price for underprivileged communities in Pest County, Hungary. As well as creating employment opportunities for two salespersons, the organisation aims to open a charity shop in Budapest to cement the project's social impact. The feedback of participants of the Springboard Programme was so positive that the Foundation intends to continue this programme into 2018.

The Foundation was proud to once more support the newest educational programme of the Independent Theatre company through a series of contemporary Roma plays - a first in Hungary. The drama and storytelling of these plays could be so influential when it comes to shaping attitudes and inspiring action. By profiling successful Roma heroes, Independent Theatre hopes to both empower Roma communities and alter their stereotypical image amongst the rest of the Hungarian population. All the plays were shown in Hungary's ground-breaking Roma Storytelling Festival, which attracted a huge audience but through the power of digital coverage reached over a million people.

#### *Laos*

The Foundation has long supported the innovative community and educational projects managed by the Buddhist Heritage Project ("BHP") based in Luang Prabang. BHP's skill and experience has been invaluable as a local delivery partner.

BHP has been mindful of the rapid decline locally in the traditional Buddhist artistry. The number of artisans and skilled individuals to have survived are now being driven by commercial interests to feed the tourism industry. BHP with the support of the Foundation and other like-minded, generous donors continued their fundraising initiative to raise the necessary funds for the construction of a Vocational School of Arts within the grounds of the main secondary school. Their perseverance has resulted in phase 1 of the project now being fully funded. Civil works (road, retaining walls, drainage) commenced in May 2017 and it is hoped that the construction of the first teaching building will commence in November 2017 with completion scheduled for September 2018 to coincide with the start of the school year. Upon completion of this phase, the School will be, to all intents and purposes, functional. 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 in the hope that they are an integral part in maintaining the cultural heritage of the Lao people for generations to come.

Recognising that employment and economic opportunities are central to improving the livelihood of local communities, BHP initiated a social enterprise in the form of a retail shop in the heart of Luang Prabang with support from the Foundation. The shop's social impact is complex and multi-fold. Firstly, specialising in quality artwork and Buddhist objects, it provides a vital outlet for local artists and artisans and as such improves their livelihood. In a similar vein, the shop will ensure that the artwork produced by the School of Arts will have an outlet for sales. The shop also offers much needed employment opportunity to several local youngsters. All the profits from this social enterprise will be reinvested in the Academy.

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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The shop is called Celadon and was opened in January 2017. “Celadon” pays homage to an art form that has been lost in Luang Prabang - that of the creation of highly glazed ceramics. BHP hope that the establishment of the School of Arts will provide an opportunity to revive this ancient tradition among fine art and artisan skills. In trying to source products for the shop, the lack of local artisans became even more apparent and so it will be key that graduates of the School of Arts are able to use this as an outlet for their works. As this social enterprise grows it will provide the economic benefit to students, former students, their families and the community at large.

#### *UK*

The Foundation continued its support of three diverse projects through its grants with the University of Nottingham. This is the final 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.

Following the successful support of the student led project initiated by Enactus Nottingham called Re-covered, the Foundation intends to continue exploring opportunities and forging long-term partnerships in the UK.

Detailed information about all the projects funded by the Foundation - both past and current – can be found on its website [www.badurfoundation.org](http://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 income for the year was £736,332 (2016: net loss £20,020). During the year, the Foundation received donations totalling £1,012,082 (2016: £23,618) to enable it to continue its existing grant-making operations.

As at 30 June 2017, the net assets were £3,053,706 (2016: £2,317,374).

#### *Investments*

The portfolio has performed well during the period under the discretionary mandate with Cazenove. The manager in setting the asset allocation for the portfolio was advised to follow a conservative risk strategy of capital preservation. In their selection of investments they have been asked to consider, generally, 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 2017 is shown in Note 7 on page 18. The portfolio is managed as a USD portfolio and hence benefitted from the exchange movement over the year of the USD to Sterling.

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 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 envisaged that the unrestricted reserves as at 30 June 2017 of £3,053,706 would be financially adequate and flexible enough to provide for the Foundation's 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 its associated reputational risk. The Trustees have established a comprehensive monitoring process to manage this risk.

### 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; and
- 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. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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The Trustees 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 27 March 2018 and signed on its behalf by:



**Csaba Barta**  
Trustee

# THE BADUR FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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### Opinion

We have audited the financial statements of The Badur Foundation (the 'company') for the year ended 30 June 2017 which comprise of Statement of Financial Activities, Balance Sheet, Cashflow statement 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).

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 the 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 opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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.

# THE BADUR FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2017

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### Other information

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

### Opinions 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; and
- 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 the knowledge and understanding of the 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 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; or

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 7 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 the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## THE BADUR FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2017

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In preparing the financial statements, the trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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.

*Macalvins*

**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 March 2018*

# THE BADUR FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2017

	Note	Unrestricted Income Fund	Unrestricted Capital Fund	Total Funds	Total Funds
		2017 £	2017 £	2017 £	2016 £
<b>Income from:</b>					
Donations and legacies	2	1,012,082	-	1,012,082	23,618
Income from investments:					
Investment income	3	19,408	-	19,408	12,083
<b>Total income</b>		<b>1,031,490</b>	<b>-</b>	<b>1,031,490</b>	<b>35,701</b>
<b>Expenditure on:</b>					
Costs of raising funds		-	20,441	20,441	18,077
Expenditure on charitable activities	4	430,725	5,660	436,385	401,033
<b>Total expenditure</b>		<b>430,725</b>	<b>26,101</b>	<b>456,826</b>	<b>419,110</b>
<b>Net income for the year before gains and losses</b>		<b>600,765</b>	<b>(26,101)</b>	<b>574,664</b>	<b>(383,409)</b>
Realised investment gains/(losses):					
- on foreign currency		(1,875)	-	(1,875)	40,874
- on fixed asset investments		-	23,908	23,908	(36,043)
		(1,875)	23,908	22,033	4,831
Unrealised investment gains/(losses):					
- on foreign currency		(3,846)	-	(3,846)	(11,148)
- on fixed asset investments		-	143,481	143,481	369,706
		(3,846)	143,481	139,635	358,558
<b>Net gains/(losses) on investments</b>		<b>(5,721)</b>	<b>167,389</b>	<b>161,668</b>	<b>363,389</b>
<b>Net income</b>		<b>595,044</b>	<b>141,288</b>	<b>736,332</b>	<b>(20,020)</b>
Transfer between funds		(25,353)	25,353	-	-
<b>Net movement in funds</b>		<b>569,691</b>	<b>166,641</b>	<b>736,332</b>	<b>(20,020)</b>
<b>Reconciliation of funds</b>					
Balance brought forward at 1 July 2016		53,302	2,264,072	2,317,374	2,337,394
<b>Balance carried forward at 30 June 2017</b>	11	<b>622,993</b>	<b>2,430,713</b>	<b>3,053,706</b>	<b>2,317,374</b>

The notes on pages 15 to 22 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.

# THE BADUR FOUNDATION

## BALANCE SHEET 30 JUNE 2017

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	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	7	2,403,055	2,231,700
Tangible assets	8	27,658	32,372
		<u>2,430,713</u>	<u>2,264,072</u>
<b>Current assets</b>			
Cash at bank and in hand		710,222	178,519
Prepayments		17,375	23,749
Other debtors		5,456	-
		<u>733,053</u>	<u>202,268</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year - unrestricted	9	(110,060)	(148,966)
<b>Net current assets</b>		<u>622,993</u>	<u>53,302</u>
<b>Total assets less current liabilities</b>		<u>3,053,706</u>	<u>2,317,374</u>
<b>Net assets</b>		<u>3,053,706</u>	<u>2,317,374</u>
<b>Funds</b>			
Unrestricted capital fund		2,430,713	2,264,072
Unrestricted income fund		622,993	53,302
<b>Total unrestricted funds</b>	10	<u>3,053,706</u>	<u>2,317,374</u>

The financial statements were approved by the Board of the Badur Foundation on 27 March 2018 and signed on their behalf by:



**Csaba Barta**  
Trustee

The notes on pages 15 to 22 form part of these financial statements.  
Company number 07657300.

# THE BADUR FOUNDATION

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017 £	2017 £	2016 £	2016 £
<b>Net cash inflow from operating activities (Note 12)</b>		<b>522,928</b>		<b>(467,507)</b>
<b>Returns on investment and servicing of finance</b>				
Dividends received	19,292		11,207	
Interest received	116		99	
		<b>19,408</b>		<b>11,306</b>
<b>Capital expenditure and financial investment</b>				
Proceeds from sale of investments	1,097,053		1,024,695	
Purchase of fixed assets	(946)		(19,191)	
Purchase of investments	(1,140,090)		(2,256,783)	
		<b>(43,983)</b>		<b>(1,251,279)</b>
<b>Effect of currency translation on cash and cash equivalents</b>		<b>2,622</b>		<b>92,758</b>
<b>Net increase in cash</b>		<b>500,975</b>		<b>(1,614,722)</b>

### Analysis of net funds

	Net balance at 1 July 2016 £	Cash increase in the year £	Net balance at 30 June 2017 £
Cash at bank	178,519	531,703	<b>710,222</b>
Investment cash (see below)	168,296	(30,728)	<b>137,568</b>
	<b>346,815</b>	<b>500,975</b>	<b>847,790</b>

#### Note 1

Increase/(decrease) in cash awaiting investment (note 7)

(39,071)

Unrealised gains on cash held for investment

8,343

(30,728)

The notes on pages 15 to 22 form part of these financial statements.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### 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) 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.

#### c) 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.

#### d) Support costs

Support costs are allocated to the charitable activity as incurred.



# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

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### e) Governance costs

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

### f) 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.

### g) Taxation

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

### h) 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

### i) 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.

### j) 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 2017 of £622,993 and on this basis it is a going concern.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

### 2. Income from donations and legacies

	2017	2016
	£	£
Donation of cash – unrestricted	1,002,082	13,618
Value of services received treated as a donation - unrestricted	10,000	10,000
	<u>1,012,082</u>	<u>23,618</u>

### 3. Investment income

	2017	2016
	£	£
Bank interest	72	99
Dividend income	19,292	11,984
Other interest receivable	44	-
	<u>19,408</u>	<u>12,083</u>

### 4. Expenditure on charitable activities

	2017	2016
	£	£
Grant-making (see below)	194,628	262,214
Support costs	225,490	127,919
Governance costs	16,267	10,900
	<u>436,385</u>	<u>401,033</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 (£10,867) and audit fees (£5,400).

Trustees received no remuneration but were reimbursed for out-of-pocket expenses of £977 in 2017.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

### Expenditure on charitable activities continued:

The following grants were made during the year :

	2017	2017
	£	£
Buddhist Heritage Project – contribution towards operating costs	51,517	
Buddhist Heritage Project – support for Phase1 Vocational School of Arts	12,795	
Buddhist Heritage Project – contribution towards water filtration program	3,881	
Buddhist Heritage Project – contribution towards securing land titles	<u>10,587</u>	
		<b>78,780</b>
Jai Bhim Charity – contribution towards purchase of a building and its refurbishment		11,512
After school & Community Centre – contributions towards after school club and community centre		63,235
NESst Foundation – contribution towards nurturing social enterprise projects “Springboard Programme”		5,651
Independent Theatre – contribution towards ground breaking Roma plays		<u>35,450</u>
Total of grants awarded		<u><u>194,628</u></u>

### 5. Employees

The average number of employees during the year was 3 (2016: 2). The number of employees who received remuneration amounting to more than £60,000 in either year is nil.

	2017	2016
	£	£
Salaries and associated social security costs	48,322	31,065
Termination costs	<u>36,062</u>	<u>-</u>
	<u><u>84,384</u></u>	<u><u>31,065</u></u>

### 6. Net incoming resources

	2017	2016
	£	£
This is stated after charging:		
Auditors' remuneration	5,400	5,400
Depreciation	5,660	6,345
Loss on disposal of tangible fixed assets	<u>-</u>	<u>7,204</u>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

### 7. Investments

	2017 £	2016 £
Market value at 1 July 2016	2,231,700	1,903,354
Purchases made during the year	1,140,090	2,256,783
Sales proceeds received	(1,097,053)	(1,024,695)
Increase/(decrease) in cash awaiting investment	(39,071)	(1,238,181)
Scrip dividends received	-	777
Gains and (losses) on investments for the year		
- Realised	23,908	(36,043)
- Unrealised	143,481	369,705
<b>Market value at 30 June 2017</b>	<b>2,403,055</b>	<b>2,231,700</b>

#### Analysis of market value at 30 June 2017

	2017 £	2016 £
Equities – listed on a recognised Stock Exchange	673,873	545,138
Bonds	1,228,046	1,227,529
Absolute return funds	363,568	290,737
Cash awaiting investment	137,568	168,296
<b>Market value at 30 June 2017</b>	<b>2,403,055</b>	<b>2,231,700</b>

### 8. Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and equipment £	Website design and development £	Total £
<b>Cost</b>				
At 1 July 2016	33,303	10,687	5,956	49,946
Additions during the year	-	946	-	946
At 30 June 2017	33,303	11,633	5,956	50,892
<b>Depreciation</b>				
At 1 July 2016	2,947	10,290	4,337	17,574
Charge for the year	3,537	504	1,619	5,660
At 30 June 2017	6,484	10,794	5,956	23,234
<b>Net book value</b>				
At 30 June 2017	26,819	839	-	27,658
At 30 June 2016	30,356	397	1,619	32,372

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

### 9. Creditors - Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,595	-
Grant commitments	39,649	91,635
Accruals	32,754	55,237
Other creditors	36,062	2,094
	<u>110,060</u>	<u>148,966</u>

### 10. Analysis of net assets between funds

	Unrestricted income fund £	Unrestricted capital fund £	2017 Total £	2016 Total £
Tangible fixed assets	-	27,658	27,658	32,372
Investments	-	2,403,055	2,403,055	2,231,700
Net current assets	622,993	-	622,993	53,302
Creditors due after one year	-	-	-	-
<b>Net surplus</b>	<u>622,993</u>	<u>2,430,713</u>	<u>3,053,706</u>	<u>2,317,374</u>

### 11. Movement in funds

	Unrestricted income fund £	Unrestricted capital fund £	2017 Total £	2016 Total £
Balance at 1 July 2016	53,302	2,264,072	2,317,374	2,337,394
Incoming resources	1,031,490	-	1,031,490	35,701
Resources expended	(430,725)	(26,101)	(456,826)	(419,110)
Realised/unrealised gains and losses	(5,721)	167,389	161,668	363,389
Transfer between funds	(25,353)	25,353	-	-
<b>Balance at 30 June 2017</b>	<u>622,993</u>	<u>2,430,713</u>	<u>3,053,706</u>	<u>2,317,374</u>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

### 12. Reconciliation of net incoming resources to operating activities

	2017	2016
	£	£
Net income for the year before gains/(losses)	574,664	(383,409)
Depreciation charges	5,660	6,345
Loss on disposal of assets	-	7,204
Dividend and interest receivable	(19,408)	(12,083)
Decrease/(increase) in debtors	918	(23,041)
Increase in creditors	13,080	5,944
Increase/(decrease) in grant commitments	(51,986)	(68,467)
<b>Net cash inflow from operating activities</b>	<b>522,928</b>	<b>(467,507)</b>

### 13. 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 2017, the total of such guarantees was £2.

### 14. Lease commitments

At 30 June 2017 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Within one year	17,821	12,304
After one year but within five years	71,283	71,283
After five years	46,676	64,497
<b>Total</b>	<b>135,780</b>	<b>148,084</b>

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 expires on 11 February 2025; the annual amount payable is £15,475.

### 15. Related party transactions

During the year, the Foundation was invoiced for website design and disbursements totalling £1,472 (2016: £37,743) by HGT Management LLP of which a Trustee is a partner. These items were re-charged to the Foundation at cost plus VAT.

## THE BADUR FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2017

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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 2017, the amount owed by the Foundation to HGT Management LLP was nil (2016: nil).

Also, during the year the Foundation was invoiced for leasehold improvements and disbursements totalling £27,681 (2016: £72,896) 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 2017, the amount owed by the Foundation to BXR Partners LLP was £17,814 (2016: £48,754).