

Registered company number: 07657300

Registered charity number: 1142413

THE BADUR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2018

THE BADUR FOUNDATION

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THE BADUR FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Csaba Barta
Daniel Hallgarten
Judit Durst
Zsombor Barta

Registered Office

The Harley Building
79 New Cavendish Street
London
W1W 6XB

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 2018

The Trustees are pleased to present their report together with the charity's financial statements for the year ended 30 June 2018.

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).

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 wide objects and can support any charitable institution or charitable purpose.

It aims to tackle poverty through education, social enterprise and innovative technologies. It engages with organisations and projects focused on helping marginalised and disadvantaged individuals and groups who want to improve themselves, their future prospects and those of their communities. The Foundation aims to work with organisations trying to overcome social exclusion generally in some of the most deprived areas of the UK, Hungary and Laos.

A key objective of the Foundation's funding and strategic support is education. 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. The Foundation actively looks for projects as well as intermediaries, delivery partners and co-funders with whom it can work closely and where possible for the longer term; providing creative financial assistance alongside expert, practical and professional guidance, capacity building, incubation and acceleration.

Another central focus 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, attract other sources of funding and 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 (2017: 2), each of whom agrees to contribute £1 in the event of the charity winding up.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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.

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 Foundation. 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 four members of staff. 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 those of a contractual nature are shown in Note 16 of the financial statements.

Overview of activities

During the year, the Foundation made grants totalling £226,746 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 a Country Manager and Project Coordinator monitoring existing projects and working with a range of strategic partner organisations who are embedded in local community projects. In 2018, the Foundation employed a Social Enterprise Development Manager to further support partner organisations with strategic and business

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

planning in the social enterprise sector. Through its successful partnership approach, the Foundation is gaining a more prominent profile within Hungary's not-for-profit sector.

In 2018, the Foundation launched an innovative new Programme to support organisations and teams working in impoverished communities to create viable social enterprise ideas. In partnership with SIMPACT, the Hatchery Programme offers support at the very early stages of business idea generation and validation through professional workshops and individual mentoring. The Foundation received numerous applications from which five organisations were selected to receive five-months of training and one-on-one mentoring by SIMPACT to further develop their ideas. The organisations were asked to submit their final pitch in November 2018.

Selected organisations would then be offered a range of further support, including financial support for market testing, mentoring, or initial capital to start their enterprise, all through the Foundation and its partners. The Hatchery Programme runs in parallel with the Foundation's existing Springboard programme enabling social enterprises to develop full business plans for their projects.

The Foundation continued its support for Parforum's Regina project, an art-based self-theatre initiative that deals with issues of motherhood, isolation and the struggles Roma women face in raising their children in an apathetic, often hostile environment. The project seeks to overcome isolation on different levels by empowering women's personal growth, creating links and reducing their distance from mainstream society. The new grant award enabled the project to extend their services thereby cementing their developmental work with Roma women in Szomolya and reaching other groups of Roma women in other communities and the wider public.

The Foundation's new grant to the Mahájána Foundation assisted them in expanding their educational activities at their community centre in Csörög. Mahájána provide a range of educational support for over 30 local children and families from dance classes and storytelling afternoons through to cultural trips. An increased attendance at the centre meant that the ground floor could no longer accommodate the children's activities and the attic area at the community centre was refurbished. With this additional space, Mahájána will be able better to support the local children and families and hold community events accommodating bigger groups. A side benefit has been an improvement in the energy efficiency of the building as its now better insulated.

Laos

The Foundation has supported the innovative community and education projects managed by the Buddhist Heritage Project ("BHP") based in Luang Prabang over a number of years. BHP's proficiency and knowledge has been invaluable as a local delivery partner.

Locally, BHP has seen a rapid decline in traditional Buddhist artistry, with the surviving number of artisans and associated skills being driven by commercial interests to feed the tourism industry. With the support of the Foundation and other like-minded funders, BHP is seeking to preserve traditional Buddhist artisan skills Luang Prabang.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

BHP successfully raised sufficient funds during 2017-18 to continue the building work for the Vocational School of Arts, the first of its kind in Laos dedicated to training students in traditional arts and crafts skills and, in turn, preparing them for employment on graduation. The School of Arts sits within the grounds of the existing Buddhist Academy, providing a continuum of education opportunities for students. This build project has been split into three phases, with phase one scheduled to be completed in November 2018 when the first classes will begin and the school will be essentially functional. The focus will then be on funding the second and third phases of the project, which will see the construction of additional buildings. Importantly, the structures will be unfinished in architectural detail and are a 'living' project which will be completed by the students as they learn the traditional skills. The students will become an integral part in maintaining the cultural heritage of the Lao people for generations to come.

With the financial and strategic support of the Foundation, BHP also launched a retail shop in the heart of Luang Prabang. Run as a social enterprise, the shop specialises in quality artwork and Buddhist objects. It provides a crucial outlet for local artisans and in turn, improves their livelihood. The shop will also become an outlet for sales of the artwork produced by the School of Arts, as well as offering much needed employment to several local young people. All the profits from this social enterprise will be reinvested in the Academy and as the social enterprise develops, it aims to provide economic benefit to students, former students, their families and the community more widely.

UK

The Foundation continues to explore opportunities in the UK and intends to employ a Project Coordination Manager who will engage directly with projects and networks across the voluntary sector, as well as supporting the Foundation to develop long-term relationships in this region.

In 2018, the Foundation continued its support of three projects with the University of Nottingham under the University's Widening Participation Programme. The projects aim to break down barriers to educational attainment and university study in areas that have some of the lowest rates of university participation in the UK. The Foundation's grant was used to support university campus visits, where primary aged children can see the university with their own eyes, discover new subjects and be inspired by university staff and students. Funding provided by the Foundation has also enabled a family learning project to develop and expand. Working to build parental engagement, 'Family Learning days' take place throughout the year and also serve to inspire parents and carers to return to education. Additionally, the Foundation is supporting the transfer of this methodology to Hungary and is looking into further collaboration and knowledge sharing.

With the support from the Foundation, Think for the Future (TFTF), a tailor-made mentoring service working with young people that schools have identified as 'at risk' of being expelled was able to set-up a payment-by-results scheme to increase the recruitment and participation of more schools. Using the Foundation's funding, TFTF were able to test and verify their business model and are now ready to roll-out their model to other geographical regions.

Future activities

The Trustees intend to continue with their current strategy where education and social investment remain the key focus of their grant-making. The Foundation is committed to offer not only financial support but relevant skills be it in the form of advice on how to build capacity or in financial management. Over the

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

past year, it has received positive feedback from grant holders in this regard and so is encouraged to continue offering support in this form for the foreseeable future.

Financial review

The Foundation's net loss for the year was £341,474 (2017: net income £736,332). During the year, the Foundation received donations totalling £10,000 (2017: £1,012,082) to enable it to continue its existing grant-making operations.

As at 30 June 2018, the net assets were £2,712,232 (2017: £3,053,706).

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 its selection of investments, it has 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 2018 is shown in Note 7 on page 18. The portfolio is managed as a US dollar portfolio and hence benefitted over the year in the exchange rate fluctuation of US dollars to Sterling.

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 2018 of £2,712,232 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.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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 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 22 March 2019 and signed on its behalf by:



Csaba Barta
Trustee

THE BADUR FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2018

Opinion

We have audited the financial statements of The Badur Foundation (the 'company') for the year ended 30 June 2018 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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.

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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2018

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 page 8 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.

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.

THE BADUR FOUNDATION

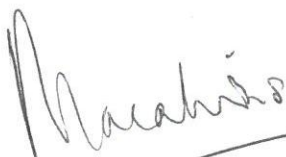
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2018

Responsibilities of Trustees (continued)

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. This description forms part of our auditor's report.

Use of our report

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.



David Segall (Senior Statutory Auditor)

For and on behalf of

Macalvins Limited

Chartered Accountants and
Statutory Auditors

7 St. John's Road

Harrow

Middlesex HA1 2EY

26 March 2019

THE BADUR FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2018

	Note	Unrestricted Income Fund	Unrestricted Capital Fund	Total Funds	Total Funds
		2018	2018	2018	2017
		£	£	£	£
Income from:					
Donations and legacies	2	10,000	-	10,000	1,012,082
Income from investments:					
Investment income	3	22,614	-	22,614	19,408
Total income		32,614	-	32,614	1,031,490
Expenditure on:					
Costs of raising funds		-	19,709	19,709	20,441
Expenditure on charitable activities	4	369,881	4,063	373,944	436,385
Total expenditure		369,881	23,772	393,653	456,826
Net income for the year before gains and losses		(337,267)	(23,772)	(361,039)	574,664
Realised investment gains/(losses):					
- on foreign currency		268	-	268	(1,875)
- on fixed asset investments		-	51,982	51,982	23,908
		268	51,982	52,250	22,033
Unrealised investment gains/(losses):					
- on foreign currency		(3,640)	-	(3,640)	(3,846)
- on fixed asset investments		-	(29,045)	(29,045)	143,481
		(3,640)	(29,045)	(32,685)	139,635
Net gains/(losses) on investments		(3,372)	22,937	19,565	161,668
Net income		(340,639)	(835)	(341,474)	736,332
Transfer between funds		(23,489)	23,489	-	-
Net movement in funds		(364,128)	22,654	(341,474)	736,332
Reconciliation of funds					
Balance brought forward at 1 July 2017		622,993	2,430,713	3,053,706	2,317,374
Balance carried forward at 30 June 2018	11	258,865	2,453,367	2,712,232	3,053,706

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 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	7	2,428,716	2,403,055
Tangible assets	8	24,651	27,658
		<u>2,453,367</u>	<u>2,430,713</u>
Current assets			
Cash at bank and in hand		358,704	710,222
Debtors	9	34,589	22,831
		<u>393,293</u>	<u>733,053</u>
Current liabilities			
Creditors: amounts falling due within one year - unrestricted	10	(134,428)	(110,060)
Net current assets		<u>258,865</u>	<u>622,993</u>
Total assets less current liabilities		<u>2,712,232</u>	<u>3,053,706</u>
Net assets		<u>2,712,232</u>	<u>3,053,706</u>
Funds			
Unrestricted capital fund		2,453,367	2,430,713
Unrestricted income fund		258,865	622,993
Total unrestricted funds	11	<u>2,712,232</u>	<u>3,053,706</u>

The financial statements were approved by the Board of the Badur Foundation on 22 March 2019 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.

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CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018 £	2018 £	2017 £	2017 £
Net cash inflow from operating activities (Note 12)		(366,980)		522,928
Returns on investment and servicing of finance				
Dividends received	22,059		19,292	
Interest received	555		116	
		22,614		19,408
Capital expenditure and financial investment				
Proceeds from sale of investments	589,689		1,097,053	
Purchase of fixed assets	(1,056)		(946)	
Purchase of investments	(709,766)		(1,140,090)	
		(121,133)		(43,983)
Effect of currency translation on cash and cash equivalents		(9,914)		2,622
Net increase in cash		(475,413)		500,975
Analysis of net funds				
		Net balance at 1 July 2017	Cash increase / (decrease) in the year	Net balance at 30 June 2018
		£	£	£
Cash at bank		710,222	(351,518)	358,704
Investment cash (<i>see below</i>)		137,568	(123,895)	13,673
		847,790	475,413	372,377
<i>Note 1</i>				
<i>Increase/(decrease) in cash awaiting investment (note 7)</i>				<i>(117,353)</i>
<i>Unrealised gains on cash held for investment</i>				<i>(6,542)</i>
				<i>(123,895)</i>

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 2018

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) - (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 measurable; 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 accrual's 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

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 2018 of £258,865 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 2018

2. Income from donations and legacies

	2018 £	2017 £
Donation of cash – unrestricted	-	1,002,082
Value of services received treated as a donation - unrestricted	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>1,012,082</u>

3. Investment income

	2018 £	2017 £
Bank interest	286	72
Dividend income	22,059	19,292
Other interest receivable	<u>269</u>	<u>44</u>
	<u>22,614</u>	<u>19,408</u>

4. Expenditure on charitable activities

	2018 £	2017 £
Grant-making (see below)	226,746	194,628
Support costs	127,814	225,490
Governance costs	<u>19,384</u>	<u>16,267</u>
	<u>373,944</u>	<u>436,385</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 (£13,984) and audit fees (£5,400).

Trustees received no remuneration but were reimbursed for out-of-pocket expenses of £67 in 2018.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

Expenditure on charitable activities continued:

The following grants were made during the year:

	2018	2017
	£	£
Buddhist Heritage Project – contribution towards operating costs	31,025	51,517
Buddhist Heritage Project – support for Phase 1 Vocational School of Arts classrooms	89,492	12,795
Buddhist Heritage Project – contribution towards water filtration program	-	3,881
Buddhist Heritage Project – contribution towards securing land titles	-	10,587
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 – year 2 grant for ground breaking Roma plays	42,518	35,450
Parforum - Presentation of Regina	14,579	-
Autonomia Foundation	494	-
Think For The Future – mentoring service working with young people	15,000	-
NESst Foundation - Springboard 2018 & Incubation Kiut	12,303	-
SIMPACT Non-profit Ltd	7,086	-
Civil Support Közhasznú Non-profit Kft	11,399	-
Family-Friendly Café	2,850	-
	<u>226,746</u>	<u>194,628</u>
Total of grants awarded	<u>226,746</u>	<u>194,628</u>

5. Employees

The average number of employees during the year was 2 (2017: 2). The number of employees who received remuneration and benefits amounting to more than £60,000 in either year is nil.

	2018	2017
	£	£
Salaries and associated social security costs	35,220	48,322
Termination costs	-	36,062
	<u>35,220</u>	<u>84,384</u>

6. Net incoming resources

	2018	2017
	£	£
This is stated after charging:		
Auditors’ remuneration – audit of accounts	5,400	5,400
Depreciation	4,063	5,660
	<u>4,063</u>	<u>5,660</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

7. Investments

	2018 £	2017 £
Market value at 1 July 2017	2,403,055	2,231,700
Purchases made during the year	709,766	1,140,090
Sales proceeds received	(589,689)	(1,097,053)
Increase/(decrease) in cash awaiting investment	(117,353)	(39,071)
Gains and (losses) on investments for the year		
- Realised	51,982	23,908
- Unrealised	(29,045)	143,481
Market value at 30 June 2018	<u>2,428,716</u>	<u>2,403,055</u>

Analysis of market value at 30 June 2018

	2018 £	2017 £
Equities – listed on a recognised Stock Exchange	750,586	673,873
Bonds	1,198,442	1,228,046
Absolute return funds	466,015	363,568
Cash awaiting investment	13,673	137,568
Market value at 30 June 2018	<u>2,428,716</u>	<u>2,403,055</u>

8. Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and equipment £	Website design and development £	Total £
Cost				
At 1 July 2017	33,303	11,633	5,956	50,892
Additions during the year	-	1,056	-	1,056
At 30 June 2018	<u>33,303</u>	<u>12,689</u>	<u>5,956</u>	<u>51,948</u>
Depreciation				
At 1 July 2017	6,484	10,794	5,956	23,234
Charge for the year	3,537	526	-	4,063
At 30 June 2018	<u>10,021</u>	<u>11,320</u>	<u>5,956</u>	<u>27,297</u>
Net book value				
At 30 June 2018	<u>23,282</u>	<u>1,369</u>	<u>-</u>	<u>24,651</u>
At 30 June 2017	<u>26,819</u>	<u>839</u>	<u>-</u>	<u>27,658</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

9. Debtors - Amounts falling due within one year

	2018	2017
	£	£
Prepayments	22,365	17,375
Other debtors	12,224	5,455
	<u>34,589</u>	<u>22,831</u>

10. Creditors - Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	19,819	1,595
Grant commitments	81,471	39,649
Accruals	33,138	32,754
Other creditors	-	36,062
	<u>134,428</u>	<u>110,060</u>

11. Analysis of net assets between funds

	Unrestricted income fund	Unrestricted capital fund	2018 Total	2017 Total
	£	£	£	£
Tangible fixed assets	-	24,651	24,651	27,658
Investments	-	2,428,716	2,428,716	2,403,055
Net current assets	258,865	-	258,865	622,993
Creditors due after one year	-	-	-	-
Net surplus	<u>258,865</u>	<u>2,453,367</u>	<u>2,712,232</u>	<u>3,053,706</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

12. Movement in funds

	Unrestricted income fund	Unrestricted capital fund	2018 Total	2017 Total
	£	£	£	£
Balance at 1 July 2017	622,993	2,430,713	3,053,706	2,317,374
Incoming resources	32,614	-	32,614	1,031,490
Resources expended	(369,881)	(23,772)	(393,653)	(456,826)
Realised/unrealised gains and losses	(3,372)	22,937	19,565	161,668
Transfer between funds	(33,489)	23,489	-	-
Balance at 30 June 2018	258,865	2,453,367	2,712,232	3,053,706

13. Reconciliation of net incoming resources to operating activities

	2018 £	2017 £
Net income for the year before gains/(losses)	(361,039)	574,664
Depreciation charges	4,063	5,660
Loss on disposal of assets	-	-
Dividend and interest receivable	(22,614)	(19,408)
Decrease/(increase) in debtors	(11,758)	918
Increase/(decrease) in creditors	(17,454)	13,080
Increase/(decrease) in grant commitments	41,822	(51,986)
Net cash inflow from operating activities	(366,980)	522,928

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 30 June 2018, the total of such guarantees was £2.

THE BADUR FOUNDATION

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

15. Lease commitments

At 30 June 2018 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Within one year	21,385	21,385
After one year but within five years	85,540	85,540
After five years	34,626	56,011
Total	141,551	162,936

The Foundation entered into a Licence to Occupy Agreement for premises in Marble Arch House, London, W1H 5BT on 28 August 2015. The agreement had an expiry date of 11 February 2025; the annual amount payable is £18,570. This Licence to Occupy agreement was terminated on 4 February 2019.

The Foundation entered into a lease agreement for new office space in The Harley Building, London, W1W 6XB on 28 January 2019. The agreement expires on 31 January 2021 and the annual amount payable is £48,736. The Foundation intends to share the space with another charity and hence its actual lease commitment is £24,368.

16. Related party transactions

During the year, the Foundation was invoiced for disbursements totalling nil (2017: £1,472) 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 (2017: £10,000).

As at 30 June 2018, the amount owed by the Foundation to HGT Management LLP was nil (2017: nil).

Also, during the year the Foundation was invoiced for costs associated with the Marble Arch House premises of £33,939 (2017: £27,681) 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 2018, the amount owed by the Foundation to BXR Partners LLP was £31,874 (2017: £17,814).