

Registered company number: 07657300

Registered charity number : 1142413

THE BADUR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2019

THE BADUR FOUNDATION

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THE BADUR FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Csaba Barta
Daniel Hallgarten
Judith Durst
Zsombor Barta
Tehseen Overy

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 2019

The Trustees are pleased to present their report together with the charity's financial statements for the year ended 30 June 2019.

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 criterion for 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 also places a high value on projects that challenge 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 long term. It provides creative financial assistance alongside practical guidance and expertise, 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 resilient and self-reliant. In funding projects which provide examples of good practice for other organisations, the Foundation hopes they will act as catalysts for local communities, attract further sources of funding and have the potential to be replicated in other geographical areas.

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 (2018: 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 2019

Appointment of trustees

The Trustees named on page 2 have served throughout the year except for Tehseen Overy who was appointed on 29 November 2019. 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 17 of the financial statements.

Overview of activities

During the year, the Foundation made grants totalling £469,596. 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 18 and 19.

Hungary

The Foundation's grant-making activities in Hungary are well-established with a Country Manager, Project Coordinator and Social Enterprise Development Manager in place. The team builds new relationships, monitor existing projects and work with a range of strategic partner organisations who are embedded in the local community, whilst providing strategic input and business planning support.

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

In 2019, the Foundation launched Hatchery+, the latest edition to its Social Enterprise Development Programme delivered in partnership with SIMPACT. The programme supports organisations and teams working in impoverished communities to develop viable social enterprise ideas, or to improve the existing social enterprises to reach long-term sustainability. Seven organisations were selected to receive four-months of training focused on idea generation, validation and business planning. On completion of this phase, a maximum of five organisations will be selected to receive further tailored mentoring. After making their final pitch in November 2019, the Foundation will award selected organisations with a range of financial and professional support to help them develop further.

The Foundation also supported Ethnic Talents, a casting agency with a social mission to hire amateurs, often from marginalised communities, and overrepresented by Roma, to work as extras or actors in international and domestic movies. This provides an opportunity for individuals to earn additional income, as well as to take on different roles given a skills shortage in the industry. The project also aims to improve the representation of Roma people who are often given stereotypical roles in Hungarian productions. If more Roma people feature in films and advertisements in non-stereotypical roles, the image of Roma in Hungary could be more balanced and a positive influence. In order to support the establishment of Ethnic Talents, the Foundation awarded a grant to cover the start-up costs. In addition, the team will receive long-term professional mentoring, in the form of professional advice.

The Foundation continued its support for Independent Theatre through the educational project, Roma Heroes, which is based on contemporary Roma plays and is a novel concept in Hungary. Having worked extensively with storytelling pieces, the project will now focus on chamber dramas, depicting the complex relationships between the characters and their surroundings.

The Foundation also continued its support for the Association of Roma Minority Representatives and Spokespeople of Nógrád County, an organisation with a mission to reduce child poverty by providing assistance to families in need. To increase organisational sustainability, the Association team have been trying to diversify their income streams by increasing revenue-producing activities. After a successful trial of delivering monthly charity fairs, the Foundation supported the Association to pilot whether this activity could be scaled up to open a charity shop with regular opening hours. The Foundation provided professional advice and support as well as partially covering the running costs.

Laos

The Foundation continued its support for community, education and environmental projects in the Luang Prabang Region of Laos. Here the Foundation works in partnership with the Buddhist Heritage Project ("BHP"), a local delivery partner that is embedded in the community and has longstanding knowledge, trust and experience. 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 generous donors, BHP continues to preserve traditional skills in the region.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

In 2019, building work continued for the innovative 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. Building works for the Arts School were split into three phases: Phase One is now complete and the school is essentially functional. Construction of Phase Two has begun, along with a continued focus on securing funding for the final phases of the project, which will see the construction of additional buildings. The Arts School will not only teach traditional skills but aims to educate, empower and foster employment opportunities for future generations of disadvantaged young people.

With continued support from the Foundation, BHP further developed its social enterprise retail shop which sells quality artwork and Buddhist objects. As well as providing a crucial outlet for local artisans, the shop directly supports twelve families through employment opportunities. In 2019, BHP tested the viability of a creative workshop space that would enable the development of local artistry and will produce items for the shop. If it is feasible as a social enterprise, this could provide additional employment for young people on graduation from the Arts School.

UK

In order to develop its work in the UK, the Foundation hired a new UK Manager to engage directly with networks and organisations across the voluntary and community sectors, as well as the grant-making sector. The UK Manager actively looks for organisations and projects as well as intermediaries, delivery partners and co-funders with whom the Foundation can work closely.

The Foundation has for the past few years supported Nottingham Potential, a programme run by the University of Nottingham, which aims to break down barriers to educational attainment and university study in the East Midlands, areas that have some of the lowest rates of university participation in the UK. The Foundation made a new three year grant to continue supporting the primary school programme, which includes campus visits where pupils can see the university with their own eyes, discover new subjects and be inspired by university staff and students, providing a pathway that helps to raise attainment and aspirations.

In 2019, the Foundation supported Well Grounded, a social enterprise and speciality coffee training academy in Tower Hamlets that connects people furthest from the labour market with sustainable careers in the coffee industry. Trainees include the long-term unemployed, refugees and asylum seekers, people with mental health challenges and NEETs (young people not in education, employment or training). The Foundation's grant was used to launch Well Grounded's second academy in Kings Cross where they will offer training programmes to local people. The second academy will increase Well Grounded's social impact as well as allowing them to grow new income streams in order to build a sustainable business model. The new academy will also enable them to offer higher level training for Graduates, aiming to lift people out of 'in work' poverty as well as roll out training programmes and facilities for the wider coffee community and public. The team now aim to design a replicable model that can be implemented across the UK in cities with high levels of unemployment.

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

The Foundation also supported High Trees Community Development Trust, an established community centre and hub in Lambeth, South London. High Trees aims to regenerate its community both socially and economically, and the Foundation supported them to gain professional architect plans to refurbish their community centre. Refurbishment will enable better use of their space to deliver vital support and services to local people. Gaining professional plans was an important first step towards achieving this goal and the Foundation continues to work with the team.

The above demonstrates a selection of projects and organisations funded by the Foundation. Further information can be found on the Foundation's website www.badurfoundation.org.

Future activities

The Trustees intend to continue with their current strategy where education and social enterprise 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 £489,584 (2018: net loss £341,474). During the year, the Foundation received donations totalling £110,000 (2018: £10,000) to enable it to continue its existing grant-making operations.

As at 30 June 2019, the net assets were £2,222,648 (2018: £2,712,232).

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 requested 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 2019 is shown in Note 7 on page 20. 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 2019 of £2,222,648 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.

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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 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.

THE BADUR FOUNDATION

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

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 8th March 2020 and signed on its behalf by:



Daniel Hallgarten
Trustee

THE BADUR FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial statements of The Badur Foundation (the 'company') for the year ended 30 June 2019 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 2019 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 2019

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.

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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2019

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.



Colin D Ford (Senior Statutory Auditor)

For and on behalf of

Macalvins Limited

Chartered Accountants and

Statutory Auditors

7 St. John's Road

Harrow

Middlesex HA1 2EY

11th March 2020

THE BADUR FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2019

	Note	Unrestricted Income Fund	Unrestricted Capital Fund	Total Funds	Total Funds
		2019 £	2019 £	2019 £	2018 £
Income from:					
Donations and legacies	2	110,000	-	110,000	10,000
Income from investments:					
Investment income	3	31,469	-	31,469	22,614
Total income		141,469	-	141,469	32,614
Expenditure on:					
Costs of raising funds		-	20,185	20,185	19,709
Expenditure on charitable activities	4	708,719	24,380	733,099	373,944
Total expenditure		708,719	44,565	753,284	393,653
Net income for the year before gains and losses		(567,250)	(44,565)	(611,815)	(361,039)
Realised investment gains/(losses):					
- on foreign currency		981	-	981	268
- on fixed asset investments		-	20,781	20,781	51,982
		981	20,781	21,762	52,250
Unrealised investment gains/(losses):					
- on foreign currency		(11,340)	-	(11,340)	(3,640)
- on fixed asset investments		-	111,809	111,809	(29,045)
		(11,340)	111,809	100,469	(32,685)
Net gains/(losses) on investments		(10,359)	132,590	122,231	19,565
Net income		(577,609)	88,025	(489,584)	(341,474)
Transfer between funds		310,677	(310,677)	-	-
Net movement in funds		(266,932)	(222,652)	(489,584)	(341,474)
Reconciliation of funds					
Balance brought forward at 1 July 2018		258,865	2,453,367	2,712,232	3,053,706
Balance carried forward at 30 June 2019	12	(8,067)	2,230,715	2,222,648	2,712,232

The notes on pages 16 to 24 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 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	7	2,225,857	2,428,716
Tangible assets	8	4,858	24,651
		<u>2,230,715</u>	<u>2,453,367</u>
Current assets			
Cash at bank and in hand		183,002	358,704
Debtors	9	69,670	34,589
		<u>252,672</u>	<u>393,293</u>
Current liabilities			
Creditors: amounts falling due within one year - unrestricted	10	(179,166)	(134,428)
Net current assets		<u>73,506</u>	<u>258,865</u>
Total assets less current liabilities		<u>2,304,221</u>	<u>2,712,232</u>
Creditors: amounts falling due after more than one Year - unrestricted	11	<u>(81,573)</u>	<u>-</u>
Net assets		<u>2,222,648</u>	<u>2,712,232</u>
Funds			
Unrestricted capital fund		2,230,715	2,453,367
Unrestricted income fund		(8,067)	258,865
Total unrestricted funds	12	<u>2,222,648</u>	<u>2,712,232</u>

The financial statements were approved by the Board of the Badur Foundation on 8th March 2020 and signed on their behalf by:



Daniel Hallgarten
Trustee

The notes on pages 16 to 24 form part of these financial statements.
Company number 07657300.

THE BADUR FOUNDATION

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019 £	2019 £	2018 £	2018 £
Net cash inflow from operating activities (Note 14)		(527,674)		(366,980)
Returns on investment and servicing of finance				
Dividends received	29,752		22,059	
Interest received	1,717		555	
		31,469		22,614
Capital expenditure and financial investment				
Proceeds from sale of investments	644,677		589,689	
Purchase of fixed assets	(4,587)		(1,056)	
Purchase of investments	(296,205)		(709,766)	
		343,885		(121,133)
Effect of currency translation on cash and cash equivalents		(12,047)		(9,914)
Net increase in cash		(164,367)		(475,413)

Analysis of net funds

	Net balance at 1 July 2018 £	Cash increase /(decrease) in the year £	Net balance at 30 June 2019 £
Cash at bank	358,704	(175,702)	183,002
Investment cash (see below)	13,673	11,335	25,008
	372,377	(164,367)	208,010

Note 1

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

13,023

Unrealised gains on cash held for investment

(1,688)

11,335

The notes on pages 16 to 24 form part of these financial statements.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

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 2019 of £73,506 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 2019

2. Income from donations and legacies

	2019 £	2018 £
Donation of cash – unrestricted	100,000	-
Value of services received treated as a donation - unrestricted	10,000	10,000
	110,000	10,000

3. Investment income

	2019 £	2018 £
Bank interest	1,449	286
Dividend income	29,752	22,059
Other interest receivable	268	269
	31,469	22,614

4. Expenditure on charitable activities

	2019 £	2018 £
Grant-making (see below)	469,596	226,746
Support costs	253,023	127,814
Governance costs	10,480	19,384
	733,099	373,944

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 (£3,367) and audit fees (£7,113).

Trustees received no remuneration but were reimbursed for out-of-pocket expenses of £266 in 2019 (2018: £67).

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

Expenditure on charitable activities continued:

The following grants were made during the year:

	2019	2018
	£	£
Buddhist Heritage Project – Contribution towards operating costs	30,971	31,025
Buddhist Heritage Project – Support for Phase 1 Vocational School of Arts classrooms	-	89,492
Independent Theatre – Grant for ground breaking Roma plays	101,311	42,518
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	(8,317)	11,399
Family-Friendly Café	-	2,850
Act Together for Pere Social Cooperative	8	-
Mahajana Foundation – Contribution towards attic refurbishment	10,973	-
BAGazs Public Benefit Association –	15,146	-
Csodamuhely Association – Contribution towards adult education programme	12,094	-
Nottingham Potential – Contribution towards primary school programmes	161,560	-
Women for the Future Association – Contribution towards enhancement of fundraising efforts	1,962	-
SIMPACT – Contribution towards Hatchery and social enterprise development programme	13,252	-
Roma Minority representatives – Contribution towards piloting a charity shop	898	-
With the Power of Humanity – Contribution towards pilot programme to trial a community and events centre	992	-
Well Grounded – Contribution towards launching a replicable academy model in Kings Cross	100,358	-
NESst Europe Nonprofit Llc – Contribution towards Anna Horvath Social Entrepreneurship Award	764	-
Ethnic Talents Nonprofit Bt – Contribution towards labour market integration of marginalised communities	19,035	-
Acceptance Bakery Social Enterprise – Contribution towards development of social enterprise	2,336	-
High Trees Community Development Trust – Contribution towards refurbishment of community centre	5,800	-
Amigos for Children	453	-
	<hr/>	<hr/>
Total of grants awarded	469,596	226,746

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

5. Employees

The average number of employees during the year was 4 (2018: 2). The number of employees who received remuneration and benefits amounting to more than **£60,000** in either year is nil.

	2019 £	2018 £
Salaries and associated social security costs	<u>108,209</u>	<u>35,220</u>
	<u>108,209</u>	<u>35,220</u>

6. Net incoming resources

	2019 £	2018 £
This is stated after charging:		
Auditors' remuneration – audit of accounts	7,113	5,400
Depreciation	3,160	4,063
Loss on disposal of assets	<u>21,220</u>	<u>-</u>

7. Investments

	2019 £	2018 £
Market value at 1 July 2018	2,428,716	2,403,055
Purchases made during the year	296,205	709,766
Sales proceeds received	(644,677)	(589,689)
Increase/(decrease) in cash awaiting investment	13,023	(117,353)
Gains and (losses) on investments for the year		
- Realised	20,781	51,982
- Unrealised	<u>111,809</u>	<u>(29,045)</u>
Market value at 30 June 2019	<u>2,225,857</u>	<u>2,428,716</u>

Analysis of market value at 30 June 2019

	2019 £	2018 £
Equities – listed on a recognised Stock Exchange	710,271	750,586
Bonds	1,016,012	1,198,442
Absolute return funds	474,566	466,015
Cash awaiting investment	<u>25,008</u>	<u>13,673</u>
Market value at 30 June 2019	<u>2,225,857</u>	<u>2,428,716</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

8. Tangible fixed assets

	Leasehold improvements	Furniture, fittings and equipment	Website design and development	Total
	£	£	£	£
Cost				
At 1 July 2018	33,303	12,689	5,956	51,948
Additions during the year	-	4,587	-	4,587
Disposals	(33,303)	-	-	(33,303)
At 30 June 2019	-	17,276	5,956	23,232
Depreciation				
At 1 July 2018	10,021	11,320	5,956	27,297
Charge for the year	2,062	1,098	-	3,160
Depreciation on disposal	(12,083)	-	-	(12,083)
At 30 June 2019	-	12,418	5,956	18,374
Net book value				
At 30 June 2019	-	4,858	-	4,858
At 30 June 2018	23,282	1,369	-	24,651

9. Debtors - Amounts falling due within one year

	2019	2018
	£	£
Prepayments	23,778	22,365
Deposit	8,123	-
Other debtors	37,769	12,224
	<u>69,670</u>	<u>34,589</u>

10. Creditors - Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	32,827	19,819
Grant commitments	128,698	81,471
Accruals	11,711	33,138
Other creditors	5,930	-
	<u>179,166</u>	<u>134,428</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

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

	2019 £	2018 £
Grant commitments	<u>81,573</u>	-
	<u>81,573</u>	-

12. Analysis of net assets between funds

	Unrestricted income fund	Unrestricted capital fund	2019 Total £	2018 Total £
	£	£	£	£
Tangible fixed assets	-	4,858	4,858	24,651
Investments	-	2,225,857	2,225,857	2,428,716
Net current assets	73,506	-	73,506	258,865
Creditors due after one year	<u>(81,573)</u>	-	<u>(81,573)</u>	-
Net surplus	<u>(8,067)</u>	<u>2,230,715</u>	<u>2,222,648</u>	<u>2,712,232</u>

13. Movement in funds

	Unrestricted income fund	Unrestricted capital fund	2019 Total £	2018 Total £
	£	£	£	£
Balance at 1 July 2018	258,865	2,453,367	2,712,232	3,053,706
Incoming resources	141,469	-	141,469	32,614
Resources expended	(708,719)	(44,565)	(753,284)	(393,653)
Realised/unrealised gains and losses	(10,359)	132,590	122,231	19,565
Transfer between funds	<u>310,677</u>	<u>(310,677)</u>	-	-
Balance at 30 June 2019	<u>(8,067)</u>	<u>2,230,715</u>	<u>2,222,648</u>	<u>2,712,232</u>

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

14. Reconciliation of net incoming resources to operating activities

	2019	2018
	£	£
Net income for the year before gains/(losses)	(611,815)	(361,039)
Depreciation charges	3,160	4,063
Loss on disposal of assets	21,220	-
Dividend and interest receivable	(31,469)	(22,614)
Decrease/(increase) in debtors	(35,081)	(11,758)
Increase/(decrease) in creditors	(2,489)	(17,454)
Increase/(decrease) in grant commitments	128,800	41,822
Net cash inflow from operating activities	(527,674)	(366,980)

15. 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 2019, the total of such guarantees was £2.

16. Lease commitments

At 30 June 2019 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within one year	58,483	21,385
After one year but within five years	34,115	85,540
After five years	-	34,626
Total	92,598	141,551

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 was £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 £58,483. The Foundation shares the space with another charity and hence its anticipated lease commitment is £29,242.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

17. Related party transactions

During the year, the Foundation was invoiced for disbursements totalling £1,448 (2018: £1,522) 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 (2018: £10,000).

As at 30 June 2019, the amount owed by the Foundation to HGT Management LLP was nil (2018: nil).

Additionally, during the year the Foundation was invoiced for costs associated with the Marble Arch House premises of £11,385 (2018: £33,939) 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 2019, the amount owed by the Foundation to BXR Partners LLP was nil (2018: £31,874). The amount owed to the Foundation by BXR Partners LLP was £3,201 (2018: nil).

Also, during the year the Foundation was invoiced for costs associated with the Marble Arch House premises of £189 (2018: nil) by BXR Advisory 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 2019, the amount owed by the Foundation to BXR Advisory Partners LLP was nil (2018: nil).

During the year, the Foundation recharged rent charges of £12,498 (2018: nil) to The Kadas Prize Foundation, a charity with common Trustees. These expenses were recharged to The Kadas Prize Foundation at cost including VAT.

As at 30 June 2019, the amount owed to the Foundation by the Kadas Prize Foundation was £12,498 (2018: nil).

During the year, the Foundation was charged rent of £17,669 (2018: £11,152) by BXR Partners Kft, an entity over which a Trustee exercises joint control.

As at 30 June 2019, the amount owed by the Foundation to BXR Partners Kft was £13,525 (2018: nil).