

*Registered company number: 07657300*

*Registered charity number : 1142413*

**THE BADUR FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2020**

# THE BADUR FOUNDATION

## CONTENTS

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	<b>Page</b>
<b>Legal and administrative information</b>	<b>2</b>
<b>Report of the Trustees</b>	<b>3 - 9</b>
<b>Independent auditors' report to the Trustees</b>	<b>10 - 12</b>
<b>Statement of financial activities</b>	<b>13</b>
<b>Balance sheet</b>	<b>14</b>
<b>Cashflow statement</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16 - 25</b>

# THE BADUR FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Trustees**

Csaba Barta  
Daniel Hallgarten  
Judit Durst  
Zombor 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

Credit Suisse (UK) Limited  
Five Cabot Square  
London  
E14 4QR

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

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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 2020.

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 objectives and can support any charitable institution or charitable purpose.

Its primary aim is to tackle poverty through education and social enterprise. It supports organisations focused on helping marginalised and disadvantaged individuals and groups who want to improve their future prospects and those of their communities. The Foundation works with teams trying to overcome social exclusion 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 initiatives 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 likeminded organisations as well as intermediaries, delivery partners and co-funders with whom it can work closely and where possible, for the long term.

Another central focus for the Foundation is organisational resilience. It aims to nurture local organisations, giving them access to the support they need to reach the next stage of their development. In funding initiatives 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.

A new objective for the Foundation is to address some of the pervasive environmental challenges that are irreversibly changing the planet. It aims to support projects, organisations and communities who are tackling key environmental issues in order to create a more sustainable future.

### **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 3 members (2019: 2), each of whom agrees to contribute £1 in the event of the charity winding up.

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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#### ***Appointment of trustees***

The Trustees named on page 2 have served throughout the year except for Tehseen Overy who was appointed on 24 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 five 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 £248,251. 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, 19 and 20.

#### ***COVID-19***

The Foundation recognises that the COVID-19 pandemic is unprecedented and will have a significant and lasting impact on grant holders in a number of ways. It aims to be as helpful and flexible as possible by

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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proactively supporting the teams, charities and social enterprises in its network and importantly, the vulnerable communities who rely on their work. The Foundation has contacted all its current and prospective grantees, many of whom are adapting their operations and projects to meet the heightened or changing needs of their communities.

In 2020, the Foundation provided COVID-19 relief support to its network in addition to its usual grant making in the UK, Hungary and Laos. Funding was considered on a case-by-case basis in order to address the individual needs of each organisation. Due to the magnitude of the pandemic, the Foundation is providing a range of support from funding to cover core operating expenses, through to support towards equipment and food parcels.

#### *Hungary*

The Foundation's grant-making activities in Hungary are well-established with a Country Manager, Project Manager and Social Enterprise Development Manager in place. In 2020, a second Project Manager was employed to meet the increasing capacity requirements of the team. The team provides significant strategic input, learning opportunities, and business planning support for a range of non-profit organisations, gaining a prominent profile in the wider sector in Hungary. Below are highlights of some of the initiatives supported by the Foundation in Hungary.

The Foundation supported AdniJóga (Giving Yoga), a social enterprise that provides sustainable access to the physical and mental health benefits of yoga and mindfulness to those who would otherwise not experience these benefits. In Hungary, 2 million people are estimated to struggle with mental health issues and only 100,000 have access to state funded therapy. AdniJóga aims to compensate for this gap in care by providing trauma-focused yoga sessions to vulnerable groups. In order to offer classes to vulnerable groups free of charge, AdniJóga generates revenue from its pop-up classes and office yoga sessions. Under the Foundation's Hatchery Programme, the team drew up a detailed pilot plan and were awarded financial support to cover operating losses in the pilot period, plus professional support to help implement the pilot plan. Due to COVID-19, AdniJóga moved its services online and is revising its business plan with guidance from the Foundation where needed.

Through its Hatchery Programme the Foundation also supported Acceptance Bakery, a social enterprise that currently employs four women on a part- and full-time basis. It produces pastries based on its staff members' family recipes, which are successfully sold on nearby markets. In order to sell produce on a bigger scale, Acceptance Bakery needed to professionalise its equipment and ensure better quality control. The Foundation's grant supported the Bakery to buy semi-industrial equipment and to contract a pastry chef who would train its employees. In parallel, the Bakery successfully fundraised for the enlargement and refurbishment of its workshop. The Bakery's ultimate aim is to offer fair wages to its employees who are currently employed under the benefit scheme of the public work system.

The Foundation provided support to Csodaműhely Association to pilot an initiative that could enhance its Complex Education Programme targeting infants, children, teenagers and adults alike. In Csobánka, the interlinked problems of segregation, a broken education system, unemployment and poverty have led to generations of disadvantage for an already marginalised community. With funding from the Foundation, the Association employed three local community assistants to ensure: 1) information about the programme reaches all families, 2) community members better understand which opportunities are available to them, and 3) they are motivated and supported to take full advantage of the programme. This complex programme also aimed to provide development opportunities for the

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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community assistants and the Foundation awarded additional funding towards professional mentoring. The community assistant team aims to enhance the programme, creating wider reach and impact.

The Foundation's Hungarian team also supported the Association to create an impact measurement framework and a logic model for the Complex Education Programme is being developed as a first step.

#### *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.

The Buddhist community of Luang Prabang have already established an innovative Vocational School of Arts, the first of its kind in Laos dedicated to training students in traditional artisan skills whilst preparing them for employment. In 2020, the Foundation supported BHP to provide an accessible and creative workshop space in the centre of Luang Prabang in order to maximise employment opportunities for graduating students. The workshop space will enable graduates and other local artisans to have access to a clean, purpose-equipped workshop where they can continue to practice and refine their skills, potentially deriving income from selling their output through BHP's social enterprise shop. Funding from the Foundation enabled the team to buy the necessary high-end equipment for the space and to fully equip the area with an extensive range of tools.

The Foundation also supported BHP to complete urgent structural and roof repairs to the historical Buddhist Archives Building at Vat Khily, which preserves a collection of almost 40,000 historic photographs and is the most important collection of photography in Laos. Since the initial restoration supported by the Foundation, there have been a series of natural events including earth tremors and severe storms, which have caused significant cracks going right through the 60cm thick wall as well as extensive damage to the roof tiles. To repair the building, BHP will work with local engineers and builders to provide the necessary structural support and to replace the roof tiles. These major engineering interventions aim to ensure the building survives for many years to come.

#### *UK*

The Foundation continued to develop its work in the UK, actively looking for organisations and initiatives that provide opportunities otherwise inaccessible to those from less advantaged backgrounds or communities. The Foundation works closely with a small number of organisations, providing the support needed for them to reach the next stage of their development. It aims to develop lasting, meaningful partnerships which best utilise the skills and contacts of staff and Trustees. To best achieve this, the Foundation currently has three regions of focus in the UK: Greater London, the East Midlands and the North East of England.

In 2020, the Foundation continued its multi-year support for 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 BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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Funding from the Foundation enabled delivery of the primary school programme, which includes campus visits where pupils can see and experience the university, discover new subjects and be inspired by university staff and students.

The Foundation supported Foundation Futures (FF), an organisation based in the Byker Wall Estate that works with disadvantaged young people and their families; particularly those at risk of underachievement in education through a range of community and education projects. FF was supported to expand their offer by piloting the use of RaspberryPi computers to aid learning through making things. The project aims to promote confidence in using IT, build skills for employment, whilst providing positive socialising and collaboration opportunities. In the longer-term, this extension of Foundation Futures' work aims to be self-sustaining by offering income generating workshops and holiday clubs.

The Foundation also supported Oswin Project, a charity that aims to improve ex-offenders' chances of finding long-term employment on leaving prison through the provision of bespoke careers support. The Oswin team aim to expand their reach by opening Café 16, a prisoner operated café in HMP Northumberland. The café will significantly increase Oswin's social impact and the number of beneficiaries they can reach by providing quality work experience for people who are still in prison, which will hopefully ease their transition into work on release. A secondary aim is for the café to create unrestricted income for the charity and a longer-term aim is for Café 16 to be a replicable model that could be launched in other prisons. Support from the Foundation has enabled the team to hire an Assistant Manager who will train and mentor prisoners on site for the first year.

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](http://www.badurfoundation.org).

#### *Future activities*

The Trustees intend to continue with their current strategy where education and social enterprise remain the key pillars of their grant-making, along with grants supporting environmental initiatives. The Foundation seeks to be a flexible, relationship-based funder, offering not only grants but support in the form of relevant skills and advice, be it guidance on how to build organisational capacity or in financial management. Where appropriate, the Foundation's 5 staff members provide a range of strategic support and assistance for the Foundation's grant holders. This approach has received positive feedback from grant holders and the Foundation is encouraged to continue offering this manner of support in the future.

The widespread impact of the COVID-19 pandemic continues to be felt by the sector and the many communities it serves. The Foundation will continue to be as flexible as possible, considering the individual needs of each organisation and providing additional support on a case-by-case basis.

#### **Financial review**

The Foundation's net surplus for the year was £30,557,607 (2019: net loss £489,584). During the year, the Foundation received a substantial donation and hence total donations were £29,596,328 (2019: £110,000). This secures the Foundation's ability to continue its existing grant-making operations for many years to come.

As at 30 June 2020, the net assets were £32,780,255 (2019: £2,222,648).



## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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#### *Investments*

An Investment Committee was formed during the year, and who now meet quarterly to review the Investment Portfolios, in both their performance and asset allocation. As a result of the market downturn in March 2020 as a reaction to the COVID-19 pandemic, the Trustees adopted a very conservative investment strategy whereby cash was its single largest holding across the investment portfolios.

Despite adopting this policy, the portfolio held with Cazenove has performed well given the market conditions during the period since March 2020. The investment manager, in setting the asset allocation for the portfolio, was requested to follow a conservative risk strategy of capital preservation, therefore, the impact of the market downturn did not considerably impact the portfolio.

During the year a new portfolio was opened under a discretionary mandate with Credit Suisse in the UK, which will hold assets denominated in both Euros and US dollars. Again taking a cautionary approach to continuing market volatility, this portfolio was still held as cash at the end of the financial year.

The market value of the Foundation's investment portfolio as at 30 June 2020 is £25,771,126 as shown in Note 7 on page 21.

#### **Reserves**

The Trustees aim to establish a level of unrestricted funds, in real terms, that ensures the Foundation can continue to meet its objectives and ensure long-term financial stability for the next 20-30 years. It is envisaged that the unrestricted reserves as at 30 June 2020 of £32,780,255 would be financially adequate and flexible enough to provide for the Foundation's future objectives.

The Capital Fund is held as an unrestricted fund representing tangible fixed assets and two investment portfolios managed under discretionary mandates, with the aim of capital preservation over the long term. It is also intended to be drawn against to meet future grant commitments.

The Trustees review the reserves requirement annually, to ensure that they accurately reflect the Foundation's overall reserve policy and to meet its objectives in the short, medium and long term.

#### **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.

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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#### 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 19<sup>th</sup> March 2021 and signed on its behalf by:



**Daniel Hallgarten**  
Trustee

## THE BADUR FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

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#### Opinion

We have audited the financial statements of The Badur Foundation (the 'company') for the year ended 30 June 2020 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 2020 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.

## THE BADUR FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2020

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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.

## THE BADUR FOUNDATION

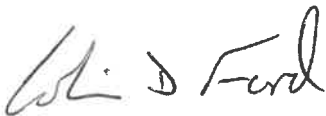
### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2020

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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.

#### 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

29<sup>th</sup> March 2021

# THE BADUR FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2020

	Note	Unrestricted Income Fund 2020 £	Unrestricted Capital Fund 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Income from:</b>					
Donations and legacies	2	15,000	29,581,328	29,596,328	110,000
Income from investments:					
Investment income	3	57,639	-	57,639	31,469
<b>Total income</b>		<b>72,639</b>	<b>29,581,328</b>	<b>29,653,967</b>	<b>141,469</b>
<b>Expenditure on:</b>					
Costs of raising funds		-	25,859	25,859	20,185
Expenditure on charitable activities	4	528,912	2,985	531,897	733,099
<b>Total expenditure</b>		<b>528,912</b>	<b>28,844</b>	<b>557,756</b>	<b>753,284</b>
<b>Net income for the year before gains and losses</b>		<b>(456,273)</b>	<b>29,552,484</b>	<b>29,096,211</b>	<b>(611,815)</b>
Realised investment gains/(losses):					
- on foreign currency		775,995	-	775,995	981
- on fixed asset investments		-	115,966	115,966	20,781
		<b>775,995</b>	<b>115,966</b>	<b>891,961</b>	<b>21,762</b>
Unrealised investment gains/(losses):					
- on foreign currency		(500)	-	(500)	(11,340)
- on fixed asset investments		-	569,935	569,935	111,809
		<b>(500)</b>	<b>569,935</b>	<b>569,435</b>	<b>100,469</b>
<b>Net gains/(losses) on investments</b>		<b>775,495</b>	<b>685,901</b>	<b>1,461,396</b>	<b>122,231</b>
<b>Net income</b>		<b>319,222</b>	<b>30,238,385</b>	<b>30,557,607</b>	<b>(489,584)</b>
Transfer between funds		2,145,713	(2,145,713)	-	-
<b>Net movement in funds</b>		<b>2,464,935</b>	<b>28,092,672</b>	<b>30,557,607</b>	<b>(489,584)</b>
<b>Reconciliation of funds</b>					
Balance brought forward at 1 July 2019		(8,067)	2,230,715	2,222,648	2,712,232
<b>Balance carried forward at 30 June 2020</b>	12	<b>2,456,868</b>	<b>30,323,387</b>	<b>32,780,255</b>	<b>2,222,648</b>

The notes on pages 16 to 25 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 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	7	25,771,126	2,225,857
Tangible assets	8	<u>6,806</u>	<u>4,858</u>
		<b>25,777,932</b>	<b>2,230,715</b>
<b>Current assets</b>			
Cash at bank and in hand		7,112,354	183,002
Debtors	9	<u>67,655</u>	<u>69,670</u>
		<b>7,180,009</b>	<b>252,672</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year - unrestricted	10	<u>(177,686)</u>	<u>(179,166)</u>
<b>Net current assets</b>		<b>7,002,323</b>	<b>73,506</b>
<b>Total assets less current liabilities</b>		<b>32,780,255</b>	<b>2,304,221</b>
Creditors: amounts falling due after more than one Year - unrestricted	11	<u>-</u>	<u>(81,573)</u>
<b>Net assets</b>		<b>32,780,255</b>	<b>2,222,648</b>
<b>Funds</b>			
Unrestricted capital fund		30,323,387	2,230,715
Unrestricted income fund		<u>2,456,868</u>	<u>(8,067)</u>
<b>Total unrestricted funds</b>	12	<b>32,780,255</b>	<b>2,222,648</b>

The financial statements were approved by the Board of the Badur Foundation on 19<sup>th</sup> March 2021 and signed on their behalf by:



**Daniel Hallgarten**  
Trustee

The notes on pages 16 to 25 form part of these financial statements.  
Company number 07657300.

# THE BADUR FOUNDATION

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2020 £	2019 £	2019 £
<b>Net cash inflow from operating activities (Note 14)</b>		<b>28,960,521</b>		<b>(527,674)</b>
<b>Returns on investment and servicing of finance</b>				
Dividends received	54,669		29,752	
Interest received	<u>2,970</u>		<u>1,717</u>	
		<b>57,639</b>		<b>31,469</b>
<b>Capital expenditure and financial investment</b>				
Proceeds from sale of investments	3,018,034		644,677	
Purchase of fixed assets	(4,933)		(4,587)	
Purchase of investments	<u>(8,203,448)</u>		<u>(296,205)</u>	
		<b>(5,190,347)</b>		<b>343,885</b>
<b>Effect of currency translation on cash and cash equivalents</b>		<b>851,617</b>		<b>(12,047)</b>
<b>Net increase in cash</b>		<b><u>24,679,430</u></b>		<b><u>(164,367)</u></b>
<b>Analysis of net funds</b>		<b>Net balance at 1 July 2019 £</b>	<b>Cash increase /(decrease) in the year £</b>	<b>Net balance at 30 June 2020 £</b>
Cash at bank		183,002	6,929,352	<b>7,112,354</b>
Investment cash ( <i>see below</i> )		25,008	17,750,078	<b>17,775,086</b>
		<u>208,010</u>	<u>24,679,430</u>	<b><u>24,887,440</u></b>
<i>Note 1</i>				17,673,954
<i>Increase/(decrease) in cash awaiting investment (note 7)</i>				76,124
<i>Unrealised gains on cash held for investment</i>				<u>17,750,078</u>

The notes on pages 16 to 25 form part of these financial statements.



# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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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) - (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 2020

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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:

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 2020 of £7,002,323 and on this basis it is a going concern.

## THE BADUR FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

#### 2. Income from donations and legacies

	2020 £	2019 £
Donation of cash – unrestricted	29,581,328	100,000
Value of services received treated as a donation - unrestricted	15,000	10,000
	<u>29,596,328</u>	<u>110,000</u>

#### 3. Investment income

	2020 £	2019 £
Bank interest	2,700	1,449
Dividend income	54,669	29,752
Other Interest	270	268
	<u>57,639</u>	<u>31,469</u>

#### 4. Expenditure on charitable activities

	2020 £	2019 £
Grant-making (see below)	248,251	469,596
Support costs	266,552	253,023
Governance costs	17,094	10,480
	<u>531,897</u>	<u>733,099</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 (£7,300) and audit fees (£9,794).

Trustees received no remuneration but were reimbursed for out-of-pocket expenses of £27 in 2020 (2019: £266).

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

### Expenditure on charitable activities continued:

The following grants were made during the year:

	2020	2019
	£	£
Buddhist Heritage Project – Contribution towards operating costs	37,279	30,971
Buddhist Heritage Project – Workshop	5,094	-
Buddhist Heritage Project – Archive building repairs	45,399	-
Independent Theatre – Grant for ground breaking Roma plays	-	101,311
Civil Support Közhasznú Non-profit Kft	-	(8,317)
Make Your Way CIC – Contribution towards external business support	3,000	-
Foundation Futures – Contribution towards ‘Makes Stuff’ pilot	26,080	-
Oswin Project – Contribution toward Café 16	25,700	-
Act Together for Pere Social Cooperative – Contribution towards start-up costs	-	8
Mahajana Foundation – Contribution towards attic refurbishment	-	10,973
BAGazs Public Benefit Association - Contribution towards the start-up costs of the charity shop in Budapest	-	15,146
Csodamuhely Association – Contribution towards adult education programme	16,896	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	12,493	13,252
Giving Yoga Foundation – Contribution towards development	2,577	-
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
Let’s Help Each Other Association – Contribution towards the refurbishment and opening of a sandwich factory	13,707	-
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 – Contribution to the development social enterprise business plan	-	453
Live Consciously Association – Contribution toward purchase of a van	5,798	-
Buddhist Heritage Project – Covid-19 emergency funding	849	-
Make Your Way CIC – Covid-19 relief grant	4,000	-
Mahajana Foundation – Covid-19 relief grant	4,885	-
BAGazs Public Benefit Association – Covid-19 relief grant	3,016	-
Well Grounded – Covid-19 relief grant	25,000	-

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

### Expenditure on charitable activities continued:

Live Consciously Association – Covid-19 relief grant	3,684	-
Woodshed Workshop CIC – Covid-19 relief grant	1,000	-
Bike Stop – Covid-19 relief grant	1,295	-
Multi-Faith Centre – Covid-19 relief grant	700	-
Association of Roma Minority Representatives – Covid-19 relief grant	9,799	-
Total of grants awarded	<u>248,251</u>	<u>469,596</u>

### 5. Employees

The average number of employees during the year was 4 (2019: 4). The number of employees who received remuneration and benefits amounting to more than £60,000 in either year is nil.

	2020	2019
	£	£
Salaries	104,269	93,754
Social Security Costs	12,295	13,143
Pension Costs	2,306	1,313
	<u>118,870</u>	<u>108,209</u>

### 6. Net incoming resources

	2020	2019
	£	£
This is stated after charging:		
Auditors' remuneration – audit of accounts	9,794	7,113
Depreciation	2,985	3,160
Loss on disposal of assets	-	21,220

Net incoming resources are shown after any foreign exchange movement.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

### 7. Investments

	2020	2019
	£	£
Market value at 1 July 2019	2,225,857	2,428,716
Purchases made during the year	3,078,188	296,205
Sales proceeds received	(3,018,034)	(644,677)
Increase/(decrease) in cash awaiting investment	17,673,954	13,023
Securities transferred in specie	5,125,260	-
Gains and (losses) on investments for the year		
- Realised	115,966	20,781
- Unrealised	569,935	111,809
<b>Market value at 30 June 2020</b>	<b>25,771,126</b>	<b>2,225,857</b>

### Analysis of market value at 30 June 2020

	2020	2019
	£	£
Equities – listed on a recognised Stock Exchange	581,263	710,271
Bonds	6,523,334	1,016,012
Absolute return funds	891,443	474,566
Cash awaiting investment	17,775,086	25,008
<b>Market value at 30 June 2020</b>	<b>25,771,126</b>	<b>2,225,857</b>

### 8. Tangible fixed assets

	Furniture, fittings and equipment	Website design and development	Total
	£	£	£
<b>Cost</b>			
At 1 July 2019	17,276	5,956	23,232
Additions during the year	4,933	-	4,933
Disposals	-	-	-
At 30 June 2020	22,209	5,956	28,165
<b>Depreciation</b>			
At 1 July 2019	12,418	5,956	18,374
Charge for the year	2,985	-	2,985
Depreciation on disposal	-	-	-
At 30 June 2020	15,403	5,956	21,359
<b>Net book value</b>			
At 30 June 2020	6,806	-	6,806
At 30 June 2019	4,858	-	4,858

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

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

	2020 £	2019 £
Prepayments	30,283	23,778
Other debtors	<u>37,372</u>	<u>45,895</u>
	<u>67,655</u>	<u>69,670</u>

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

	2020 £	2019 £
Trade creditors	5,423	32,827
Grant commitments	137,279	128,698
Accruals	34,700	11,711
Other creditors	<u>284</u>	<u>5,930</u>
	<u>177,686</u>	<u>179,166</u>

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

	2020 £	2019 £
Grant commitments	-	81,573
	<u>-</u>	<u>81,573</u>

### 12. Analysis of net assets between funds

	Unrestricted income fund £	Unrestricted capital fund £	2020 Total £	2019 Total £
Tangible fixed assets	-	6,806	6,806	4,858
Investments	-	25,771,126	25,771,126	2,225,857
Net current assets	2,456,868	4,545,455	7,002,323	73,506
Creditors due after one year	-	-	-	(81,573)
<b>Net surplus</b>	<u>2,456,868</u>	<u>30,323,387</u>	<u>32,780,255</u>	<u>2,222,648</u>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

### 13. Movement in funds

	Unrestricted income fund	Unrestricted capital fund	2020 Total £	2019 Total £
	£	£	£	£
Balance at 1 July 2019	(8,067)	2,230,715	2,222,648	2,712,232
Incoming resources	72,639	29,581,328	29,653,967	141,469
Resources expended	(528,912)	(28,844)	(557,756)	(753,284)
Realised/unrealised gains and losses	775,495	685,901	1,461,396	122,231
Transfer between funds	2,145,713	(2,145,713)	-	-
<b>Balance at 30 June 2020</b>	<b>2,456,868</b>	<b>30,323,387</b>	<b>32,780,255</b>	<b>2,222,648</b>

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

	2020 £	2019 £
Net income for the year before gains/(losses)	29,096,211	(611,815)
Depreciation charges	2,984	3,160
Loss on disposal of assets	-	21,220
Dividend and interest receivable	(57,639)	(31,469)
Decrease/(increase) in debtors	2,015	(35,081)
Increase/(decrease) in creditors	(10,058)	(2,489)
Increase/(decrease) in grant commitments	(72,992)	128,800
<b>Net cash inflow from operating activities</b>	<b>28,960,521</b>	<b>(527,674)</b>

### 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 2020, the total of such guarantees was £3.



# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

### 16. Lease commitments

At 30 June 2020 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Within one year	34,115	58,483
After one year but within five years	-	34,115
After five years	-	-
<b>Total</b>	<b>34,115</b>	<b>92,598</b>

The Foundation entered into a lease agreement for new office space in The Harley Building, London, W1W 6XB on 28 January 2019 for an annual amount payable of £58,483. The agreement expires on 31 January 2021. The Foundation shares the space with another charity and hence its anticipated lease commitment to the expiry date is £17,058.

### 17. Related party transactions

The Foundation received unrestricted donations from Trustees during the year totalling £1,302,840 (2019: nil).

During the year, the Foundation was invoiced for disbursements totalling £1,217 (2019: £1,448) by HGT Management LLP of which two Trustees are Partners. 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 £15,000 for the year (2019: £10,000).

As at 30 June 2020, the amount owed by the Foundation to HGT Management LLP was £52 (2019: nil).

Additionally, during the year the Foundation was invoiced for costs associated with former office premises of nil (2019: £11,385) 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 2020, the amount owed to the Foundation by BXR Partners LLP was £3,616 (2019: £3,201).

## THE BADUR FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2020

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#### Related party transactions continued:

Also, during the year the Foundation was invoiced for costs associated with the Marble Arch House premises of £882 (2019: £189) 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 2020, the amount owed by the Foundation to BXR Advisory Partners LLP was nil (2019: nil).

During the year, the Foundation recharged rent charges of £28,846 (2019: 12,498) to The Kadas Prize Foundation, a charity with common Trustees. These expenses were recharged to The Kadas Prize Foundation at cost including VAT.

Also, during the year the Foundation was invoiced for costs associated with 79 New Cavendish Street for £943 by The Kadas Prize Foundation.

As at 30 June 2020, the amount owed to the Foundation by the Kadas Prize Foundation was nil (2019: £12,498).

During the year, the Foundation was charged rent of £27,083 (2019: £17,669) by BXR Partners Kft, Hungary, an entity over which a Trustee exercises joint control.

As at 30 June 20120, the amount owed by the Foundation to BXR Partners Kft was nil (2019: £13,525).

#### 18. Post Balance Sheet events

Following the year end, the Trustees transferred £4,545,455 from cash to a managed investment portfolio held with Cazenove. This sum has been recognised as part of Unrestricted Capital Fund as at 30 June 2020, as it better reflects cash awaiting investment.