

*Registered company number: 07657300*

*Registered charity number : 1142413*

**THE BADUR FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2022**

# THE BADUR FOUNDATION

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# THE BADUR FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Trustees**

Csaba Barta  
Daniel Hallgarten  
Judit Durst  
Zsombor Barta  
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

# THE BADUR FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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### Investment Managers

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

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

Bank Lombard Odier & Co Ltd  
Rue de la Corraterie 11  
1204 Geneva  
Switzerland



# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

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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 2022.

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 and address environmental challenges for a fairer and more sustainable future. It supports grassroots organisations that help those who are marginalised or disadvantaged in society to improve their future prospects and those of their communities. The Foundation works with teams, charities and social enterprises trying to overcome social exclusion in some of the most deprived areas of the UK, Hungary and Laos.

The Foundation has considered where its support can make the most difference and a key focus of its funding and strategic support is education. The Foundation believes quality education can have a transformative impact on life chances and opportunities, as well as being a catalyst for better job opportunities and higher wages. It also places a high value on initiatives that challenge attitudes towards social exclusion, and those striving to bring about change in the inclusion 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 core objective of the Foundation is to address some of the pervasive environmental challenges that are irreversibly changing our planet. It aims to support initiatives and organisations that are tackling key environmental issues on a local and community level.

Within its core objectives, a 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. This might include diversifying income streams, through to increased social impact or replication in other geographical areas.

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### **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 (2021: 3), each of whom agrees to contribute £1 in the event of the charity winding up.

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

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

#### ***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 six 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 18 of the financial statements.

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### Overview of activities

During the year, the Foundation made grants totalling £364,452. It also continued to monitor and evaluate its multi-year, ongoing grants. Grants made during the year are listed in Note 4 on Page 22.

#### *COVID-19*

As communities learn to live with COVID-19, the Foundation continues to see the lasting impact of the pandemic and the measures taken to manage it. The Foundation has continued to proactively support the organisations in its network and importantly, the communities who rely on their work. Where required, this has included the continued consideration of relief support in addition to its usual grant making. Funding is considered on a case-by-case basis in order to address the individual needs of each organisation.

#### *Hungary*

The Foundation's grant-making activities in Hungary are well-established with a team of three in place. Alongside grant making, the team provides strategic input, learning opportunities and business planning 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 has been a long-term supporter of Independent Theatre to build on its internationally recognised work by developing and disseminating domestic theatre productions involving local marginalised communities in Hungary. This initiative aims to meet a need for disadvantaged communities around the country who do not have access to arts and culture, or the opportunity to explore a career in this area. By putting on community theatre productions and accompanying community development work, the project also aims to nurture Roma theatre professionals and ultimately, to empower future generations by showcasing the heroes and stories of their communities.

The Foundation also supported Romaversitas Foundation to initiate a sector mapping exercise in order to identify and scrutinise existing educational programmes that support Roma and/or disadvantaged students in Hungary. The overarching aim is to promote cooperation that safeguards, strengthens and expands the long-term social impact of these organisations. It seeks to foster collaborations between non-profit organisations, in order to decrease the dropout rate for disadvantaged students at different educational stages and to support them throughout their careers to achieve their academic goals.

The Foundation's innovative Resilience Programme continues to enhance the support provided to current and former partners. The aim of the Resilience Programme is to provide tailored organisational development for charities working with marginalised communities in the fields of education and development, to improve the quality of life of their beneficiaries. The overall aim of the programme is to make organisations more resilient to external factors so they can optimise their ways of working in a changing environment in order to effectively achieve their social impact. Participating organisations have taken part in diagnostic work, followed by group workshops and creating individual development plans that

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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were supported by external mentors. Following a review of the development plans, a number of organisations were awarded further financial and professional support.

#### *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 gained longstanding knowledge, trust and experience.

In 2022, the Foundation provided funding towards BHP’s salary and administration expenses, taking into account the continued negative impact of the COVID-19 pandemic and the closure of Lao’s borders leading to a sustained absence of tourism to the region. The Foundation’s support ensured the team could continue to operate during a particularly challenging time.

Key areas of BHP’s work include establishing an innovative Vocational School of Arts, dedicated to training students in traditional artisan skills whilst preparing them for employment on graduation. Building on this, the team provides an accessible and creative workshop space in order to maximise employment opportunities for graduating students, whilst running a social enterprise retail shop in the heart of Luang Prabang.

#### *UK*

The Foundation continued to evolve its work in the UK actively looking for initiatives that approach social and environmental problems in an inclusive way. It is particularly interested in organisations providing opportunities otherwise inaccessible to people from less advantaged backgrounds or communities. The Foundation works closely with a small number of organisations and it aims to develop meaningful partnerships, which utilise the skills and network of staff and Trustees.

The Foundation supported Smile for Life, a charity that empowers children and young people with disabilities and learning difficulties to achieve their potential and live a full and happy life. As part of its varied support, which includes providing equipment, advocacy and experiences, the charity runs ‘Café Beam’; an inclusive workplace where it can offer placements to young people with disabilities who need support with their transition from education into the world of work. With support from the Foundation, the charity will develop this work further by providing an 18-month chef apprenticeship for one of its young people at Café Beam.

After an initial grant in 2019 that ignited the refurbishment process, the Foundation provided additional support and guidance to High Trees Community Development Trust towards the works required to complete the renovation of its community centre. High Trees is an established community anchor and hub, supporting some of Lambeth’s most underserved individuals and communities. Following the refurbishment there will be better use of the space to deliver vital support and services to local people.

# THE BADUR FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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The Foundation also provided further support to Foundation Futures (FF), a specialist team working predominantly in disadvantaged communities supporting young people and their families. The team delivers bespoke, alternative education programmes that support young people who struggle to thrive in mainstream education, along with community-based clubs, activities and projects. After seeing a rise in both demand and need, the Foundation provided support to enable FF to offer food for attendees, further staff training and to extend FF's community provision to reach more young people.

### *Environmental*

Recognising the scale of the climate crisis, the Foundation has continued its support for environmental initiatives, seeking to bolster local organisations that tackle key environmental challenges. In order to grow this area of its work, the Foundation hired an additional staff member and to maximise its impact and resources and will focus on the following themes: Access to nature, sustainable food systems and rewilding (including education to improve environmental awareness and stewardship).

The Foundation supported Green Schools Project (GSP), a social enterprise that works to improve environmental education in schools, and to equip children and young people with the knowledge and skills needed to build a more sustainable society. With support from the Foundation, GSP will pilot a remote programme that aims to enable schools across the country to reduce their carbon emissions and engage their students in practical environmental projects.

The Foundation also supported Wilder, which works to create places for wildlife in central London by establishing a network of organisations and individuals committed to wildlife-friendly planting and low carbon garden practices. With support from the Foundation, it seeks to wild one square mile in Southwark, by asking organisations and individuals to sign up to wildlife-friendly interventions. It will offer tailored advice on how people can wild their space, and over a three-year period, it plans to improve biodiversity and to increase local knowledge of wildlife-friendly practices.

The Foundation continued its support for the Devon Environment Foundation (DEF), which identifies the most effective local initiatives using Nature-based Solutions and provides the support they need to accelerate and amplify their impact. The Foundation supported DEF in the early stages of its formation, and continues to support its second year of operation.

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 tackling poverty and inequality 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 staff members provide a range of strategic support

## THE BADUR FOUNDATION

### REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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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.

#### **Investments**

In April 2022, the majority of the Foundation's investment portfolio's with Cazenove Capital, Credit Suisse UK and Lombard Odier were divested in order to purchase an investment property. The divestment resulted in a realised gain of £242,060.

In the low interest rate environment at that time along with the volatility of the economic markets, the projected yield from rental income on the investment property, in the opinion of the Investment Committee, enabled the Foundation to rely on a much more stable income stream for its charitable activities. The investment property was acquired on 5 May 2022 and hence at year-end is held at cost.

The Investment Committee meets periodically to review the performance of these portfolios. They continue to be managed against conservative benchmarks.

The market value of the Foundation's smaller, remaining investment portfolios and the investment property as at 30 June 2022 is valued at £32,854,134 as shown in Note 7 and 8 and on pages 24 and 25.

#### **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 2022 of £34,667,629 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 investment property and portfolios managed under discretionary mandates. It is intended that the net rental income from the investment property will be utilised to meet future grant commitments.

Free reserves, defined as cash at bank and in hand less creditors, amount of £1,700,997 as at 30 June 2022.

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 2022

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### **Risk management**

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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 2022

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### 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 17 March 2023 and signed on its behalf by:



**Csaba Barta**  
Trustee



# THE BADUR FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

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### Opinion

We have audited the financial statements of The Badur Foundation (the 'company') for the year ended 30 June 2022 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

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.

# THE BADUR FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 10 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.

### **Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the company and sector in which it operates, control environment and financial performance including the design of the company's remuneration policies, key drivers for staff remuneration, bonus levels and performance targets;
- the results of our enquiries of the trustees about their own identification and assessment of the risks of irregularities;
- the process for identifying, evaluating and complying with laws and regulations and whether the trustees were aware of any instances of non-compliance;
- the process for detecting and responding to the risks of fraud and whether the trustees have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

These matters were discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included United Kingdom company law and local tax legislation.

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 Auditors' Report.

# THE BADUR FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Macalvins*

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

*21 March* ..... 2023

# THE BADUR FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted Income Fund	Unrestricted Capital Fund	Total Funds	Total Funds
		2022 £	2022 £	2022 £	2021 £
<b>Income from:</b>					
Donations and legacies	2	15,000	-	15,000	3,913,449
Income from investments:					
Investment income	3	488,405	-	488,405	320,931
<b>Total income</b>		<b>503,405</b>	<b>-</b>	<b>503,405</b>	<b>4,234,380</b>
<b>Expenditure on:</b>					
Costs of raising funds		-	176,755	176,755	133,920
Expenditure on charitable activities	4	655,668	3,143	658,811	464,377
<b>Total expenditure</b>		<b>655,668</b>	<b>179,898</b>	<b>835,566</b>	<b>598,297</b>
<b>Net income for the year before gains and losses</b>		<b>(152,263)</b>	<b>(179,898)</b>	<b>(332,161)</b>	<b>3,636,083</b>
Realised investment gains/(losses):					
- on foreign currency		5,673	-	5,673	(182,422)
- on fixed asset investments		-	236,387	236,837	102,921
		5,673	236,387	242,060	(79,501)
Unrealised investment gains/(losses):					
- on foreign currency		16,095	-	16,095	2,007
- on fixed asset investments		-	(38,188)	(38,188)	(1,559,021)
		16,095	(38,188)	(22,093)	(1,557,014)
<b>Net gains/(losses) on investments</b>		<b>21,768</b>	<b>198,199</b>	<b>219,967</b>	<b>(1,636,515)</b>
<b>Net income</b>		<b>(130,495)</b>	<b>18,301</b>	<b>(112,194)</b>	<b>1,999,568</b>
Transfer between funds		(729,812)	729,812	-	-
<b>Net movement in funds</b>		<b>(860,307)</b>	<b>748,113</b>	<b>(112,194)</b>	<b>1,999,568</b>
<b>Reconciliation of funds</b>					
Balance brought forward at 1 July 2021		2,671,971	32,107,852	34,779,823	32,780,255
<b>Balance carried forward at 30 June 2022</b>	13	<b>1,811,664</b>	<b>32,855,965</b>	<b>34,667,629</b>	<b>34,779,823</b>

The notes on pages 19 to 29 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 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments portfolio	7	5,525,442	32,104,536
Investments property	8	27,328,692	-
Tangible assets	9	1,831	3,316
		<u>32,855,965</u>	<u>32,107,852</u>
<b>Current assets</b>			
Cash at bank and in hand		2,438,754	2,715,804
Debtors	10	110,667	43,645
		<u>2,549,421</u>	<u>2,759,449</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year - unrestricted	11	(213,007)	(80,435)
<b>Net current assets</b>		<u>2,336,414</u>	<u>2,679,014</u>
<b>Total assets less current liabilities</b>		<u>35,192,379</u>	<u>34,786,866</u>
<b>Creditors: amounts falling due after more than one Year - unrestricted</b>	12	<u>(524,750)</u>	<u>(7,043)</u>
<b>Net assets</b>		<u>34,667,629</u>	<u>34,779,823</u>
<b>Funds</b>			
Unrestricted capital fund		32,855,965	32,107,852
Unrestricted income fund		1,811,664	2,671,971
<b>Total unrestricted funds</b>	13	<u>34,667,629</u>	<u>34,779,823</u>

The financial statements were approved by the Board of the Badur Foundation on 17 March 2023 and signed on their behalf by:



**Csaba Barta**  
Trustee

The notes on pages 19 to 29 form part of these financial statements.  
Company number 07657300.

# THE BADUR FOUNDATION

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2022 £	2021 £	2021 £
<b>Net cash inflow from operating activities (Note 15)</b>		<b>(234,167)</b>		<b>3,252,444</b>
<b>Returns on investment and servicing of finance</b>				
Dividends received	211,602		214,345	
Interest received	156,958		106,586	
Rent received	56,045		-	
		<b>424,605</b>		<b>320,931</b>
<b>Capital expenditure and financial investment</b>				
Proceeds from sale of investments	30,840,418		7,649,983	
Purchase of fixed assets	(1,658)		-	
Purchase of Investment Property	(27,328,692)			
Purchase of investments	(7,435,823)		(28,187,227)	
		<b>(3,925,755)</b>		<b>(20,537,244)</b>
<b>Effect of currency translation on cash and cash equivalents</b>		<b>292,144</b>		<b>(1,676,367)</b>
<b>Net decrease in cash</b>		<b>(3,443,173)</b>		<b>(18,640,236)</b>
<b>Analysis of net funds</b>				
	Net balance at 1 July 2021	Cash increase / (decrease) in the year	Net balance at 30 June 2022	
	£	£	£	
Cash at bank	2,715,804	(277,050)	2,438,754	
Investment cash ( <i>see note below</i> )	3,531,400	(3,166,123)	365,277	
	<b>6,247,204</b>	<b>(3,443,173)</b>	<b>2,804,031</b>	
<i>Note</i>				
<i>(Decrease) in cash awaiting investment (note 7)</i>				(3,372,697)
<i>Unrealised gains on cash held for investment</i>				206,574
				<b>(3,166,123)</b>

The notes on pages 19 to 29 form part of these financial statements.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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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.

Rental income is received quarterly in advance, but recognised in the statement of financial activity on a straight line basis over the term of the lease.

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) Service charges, property operating expenses

In the case of service contracts with third parties, service charges are recovered from tenants.

Service charges in respect of vacant property are expensed. These mainly relate to gas, water, electricity, cleaning and security.



# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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Property operating expenses comprise those costs that are directly attributable to the operation of properties, net of costs charged to tenants. These mainly relate to tax, insurance, leasehold, maintenance and professional fees. These are expensed as incurred. Administrative expenses are expenses that are not directly attributable to the operation of properties (including charged management costs not directly related to properties, office overheads, advice, valuation and audit fees, listing costs and marketing and promotion costs).

### e) Support costs

Support costs are allocated to the charitable activity as incurred.

### f) Governance costs

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

### g) Investments

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

### h) Taxation

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

### i) Fixed assets depreciation policy

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

Furniture, fittings and equipment	3 years
Website development and design	3 years

### j) Foreign currencies

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

### k) Going concern

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

## THE BADUR FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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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 2022 of £2,336,414 and on this basis it is a going concern.

#### **l) Investment Property**

Investment property is measured initially at its cost, including related transaction costs such as advisory costs, notary costs, transfer taxes and borrowing costs. After initial recognition, investment property is stated at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

In line with the Practice Statements, as incorporated in the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards ('the Red Book'), valuations are performed as of the financial position date by professional valuation experts who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as an investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, including vacancy and rental incentives. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Gains and losses arising from changes in fair values are included in the statement of financial activity in the year in which they arise.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 2. Income from donations and legacies

	2022 £	2021 £
Donations – unrestricted	-	3,898,449
Value of services received treated as a donation - unrestricted	15,000	15,000
	<u>15,000</u>	<u>3,913,449</u>

### 3. Investment income

	2022 £	2021 £
Interest earned	156,909	101,992
Dividend income	211,602	214,345
Rental income	119,845	-
Other Interest	49	4,594
	<u>488,405</u>	<u>320,931</u>

### 4. Expenditure on charitable activities

	2022 £	2021 £
Grant-making (see below)	364,452	203,423
Support costs	281,259	245,612
Governance costs	13,100	15,342
	<u>658,811</u>	<u>464,377</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 (£nil) and audit fees (£13,100).

A portion of support costs have been classified as grant-making to better reflect the allocation of the Foundations resources towards providing advisory services to the organisations that they support. Support costs classified as grant-making is £72,044 in (2021: £123,890).

Trustees received no remuneration and were not reimbursed for out-of-pocket expenses in both 2022 and 2021.

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### Expenditure on charitable activities continued:

The following grants were made during the year:

	2022	2021
	£	£
Apricot Centre – Contribution to support young people leaving care	-	18,100
Barefoot Kitchen – Support costs for new community growing site	-	9,000
Bike Stop – Covid-19 relief grant	17,342	-
Brookside Theatre – Contribution toward a youth production	5,000	10,450
Buddhist Heritage Project – Archive building repairs	-	5,386
Buddhist Heritage Project – Overheads 2021	32,205	32,324
Creative Learning	6,650	-
Conservation Collective	1,750	-
Denton Youth and Community Project	15,000	-
Devon Environment Foundation – Support for environmental projects in Devon	9,000	10,000
Earth Doctors Ltd “Big River Bakery”	5,000	15,150
Enactus UK – Covid-19 relief grant	-	5,000
Ethnic Talents Non-profit Bt – Contribution towards labour market integration of marginalised communities	-	(11,356)
Escape2Make	4,000	-
Firestarter Association	15,424	-
Flow Foundation – Contribution towards capacity building work	3,189	10,643
Foundation Futures – Contribution towards ‘Makes Stuff’ pilot	14,030	-
Green Schools Project	15,000	-
High Trees Community Development Trust	20,000	-
Jai Bhim Trirantna Buddhist Community – Support for financial stabilisation	-	14,089
Live Consciously Association – Contribution towards purchase of a van	-	613
Mahajana Foundation – Covid-19 relief grant	9,045	-
Make Your Way CIC – Contribution towards external business support	-	-
Oswin Project – Contribution toward Café 16	-	26,000
Plastic Free North Devon – ‘Protect our Playground’ project	-	8,995
Roma Minority Representatives	6,650	-
Romaversitas Alapitvany	4,577	-
Smile For Life Children's Charity (SFL)	14,810	-
T-Tudok – Assistance to introducing a new methodology in a school	-	4,645
Well Grounded – Covid-19 relief grant	15,000	(24,500)
Wilder City	14,690	-
Women for the Future Association - Roma Heroes	22,000	-
Wonderworkshop Association – Support for Community Assistants Programme	102,090	35,256
Woodshed Workshop CIC – Contribution to provide support for learners	12,000	17,630
Woodshed Workshop CIC – Covid-19 relief grant	-	674
Youth Realities – Contribution to meet increased service demand	-	15,324
	<hr/>	<hr/>
Total of grants awarded	<b>364,452</b>	<b>203,423</b>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 5. Employees

The average number of employees during the year was 5 (2021: 5). The number of employees who received remuneration and benefits amounting to more than £60,000 in either year is nil.

	2022	2021
	£	£
Salaries	112,968	104,711
Social Security Costs	17,068	11,296
Pension Costs	3,546	2,352
	<u>133,582</u>	<u>118,359</u>

The trustees are considered to be the key management within the Foundation.

### 6. Net incoming resources

	2022	2021
	£	£
This is stated after charging:		
Auditors' remuneration – audit of accounts	12,100	10,409
Auditors' remuneration – other services	4,120	2,023
Depreciation	3,143	3,490

Net incoming resources are shown after any foreign exchange movement.

### 7. Investments

	2022	2021
	£	£
Market value at 1 July 2021	32,104,536	25,771,126
Purchases made during the year	7,435,823	28,187,227
Sales proceeds received	(30,840,418)	(7,649,983)
(Decrease) in cash awaiting investment	(3,372,697)	(12,747,734)
Gains and (losses) on investments for the year		
- Realised	236,387	102,921
- Unrealised	(38,189)	(1,559,021)
Market value at 30 June 2022	<u>5,525,442</u>	<u>32,104,536</u>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 7. Investments continued

#### Analysis of market value at 30 June 2022

	2022 £	2021 £
Equities – listed on a recognised Stock Exchange	628,298	5,108,726
Bonds	2,354,777	22,083,625
Absolute return funds	2,177,090	1,380,785
Cash awaiting investment	365,277	3,531,400
<b>Market value at 30 June 2022</b>	<b>5,525,442</b>	<b>32,104,536</b>

### 8. Investment property

	2022 £	2021 £
Investment property	27,328,692	-
<b>Market value at 30 June 2022</b>	<b>27,328,692</b>	<b>-</b>

The property was purchased on 5 May 2022 for £27,000,000. The purchase was funded through the liquidation of the majority of the investment portfolio. At year end the investment property is held at cost including fees, taxes and other related costs.

### 9. Tangible fixed assets

	Furniture, fittings and equipment £	Website design and development £	Total £
<b>Cost</b>			
At 1 July 2021	22,209	5,956	28,165
Additions during the year	1,658	-	1,658
Disposals	-	-	-
At 30 June 2022	23,867	5,956	29,823
<b>Depreciation</b>			
At 1 July 2021	18,893	5,956	24,849
Charge for the year	3,143	-	3,143
Depreciation on disposal	-	-	-
At 30 June 2022	22,036	5,956	27,992
<b>Net book value</b>			
At 30 June 2022	1,831	-	1,831
At 30 June 2021	3,316	-	3,316

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 10. Debtors

	2022	2021
	£	£
Prepayments	30,405	23,073
VAT recoverable	43,053	-
Other debtors	37,209	20,572
	<u>110,667</u>	<u>43,645</u>

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

	2022	2021
	£	£
Trade creditors	21,822	3,581
Grant commitments	111,775	33,865
Accruals and deferred income	75,331	42,699
Other creditors	4,079	290
	<u>213,007</u>	<u>80,435</u>

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

	2022	2021
	£	£
Grant commitments	16,850	7,043
Rent deposits	507,900	-
	<u>524,750</u>	<u>7,043</u>

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 13. Analysis of net assets between funds

	Unrestricted income fund	Unrestricted capital fund	2022	2021
	£	£	Total £	Total £
Tangible fixed assets	-	1,831	1,831	3,316
Investments (including property)	-	32,854,134	32,854,134	32,104,536
Net current assets	2,336,414	-	2,336,414	2,679,014
Creditors due after one year	(524,750)	-	(524,750)	(7,043)
<b>Net surplus</b>	<b>1,811,664</b>	<b>32,855,965</b>	<b>34,667,629</b>	<b>34,779,823</b>

### 14. Movement in funds

	Unrestricted income fund	Unrestricted capital fund	2022	2021
	£	£	Total £	Total £
Balance at 1 July 2021	2,671,971	32,107,852	34,779,823	32,780,255
Incoming resources	503,405	-	503,405	4,234,380
Resources expended	(655,668)	(179,898)	(835,566)	(598,297)
Realised/(unrealised) gains and losses	21,768	198,199	219,967	(1,636,515)
Transfer between funds	(729,812)	729,812	-	-
<b>Balance at 30 June 2022</b>	<b>1,811,664</b>	<b>32,855,965</b>	<b>34,667,629</b>	<b>34,779,823</b>

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

	2022	2021
	£	£
Net (deficit)/income for the year before (losses)/gain	(332,161)	3,636,083
Depreciation charges	3,143	3,490
Dividends, interest and rent receivable	(488,406)	(320,931)
(Increase) in deferred rental income	(63,800)	-
(Increase)/Decrease in debtors	(3,222)	24,010
Increase in creditors	562,562	6,163
Increase/(Decrease) in grant commitments	87,717	(96,371)
<b>Net cash inflow from operating activities</b>	<b>(234,167)</b>	<b>3,252,444</b>



# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 16. 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 2022, the total of such guarantees was £3.

### 17. Lease commitments

At 30 June 2022, the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Within one year	9,742	19,483
After one year but within five years	-	9,742
<b>Total</b>	<b>9,742</b>	<b>29,225</b>

The Foundation renewed the lease agreement for office space in The Harley Building, London, W1W 6XB on 01 February 2020 for an annual amount payable of £38,966. The agreement expires on 31 December 2022. The Foundation shares the space with another charity and hence its anticipated lease commitment to the expiry date is £9,742.

### 18. Related party transactions

The Foundation received unrestricted donations from Trustees during the year totalling £Nil (2021: £3,118,759) net of gift aid.

During the year, the Foundation was invoiced for disbursements totalling £492 (2021: £457) 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 (2021: £15,000).

As at 30 June 2022, the amount owed by the Foundation to HGT Management LLP was £Nil (2021: £72).

Additionally, during the year the Foundation was invoiced for costs associated with former office premises of £Nil (2021: £204) 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 2022, the amount owed to the Foundation by BXR Partners LLP was £Nil (2021: £Nil).

# THE BADUR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### **Related party transactions continued:**

During the year the Foundation was invoiced for costs associated with The Harley Building premises of £Nil (2020: £278) 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 2022, the amount owed by the Foundation to BXR Advisory Partners LLP was £Nil (2021: £Nil).

During the year, the Foundation recharged rent charges of £18,904 (2021: £24,336) 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 2022, the amount owed to the Foundation by the Kadas Prize Foundation was £Nil (2021: £Nil).

During the year, the Foundation was charged rent of £24,179 (2021: £25,376) by BXR Partners Kft, Hungary, an entity over which a Trustee exercises joint control.

As at 30 June 2022, the amount owed by the Foundation to BXR Partners Kft was £Nil (2021: Nil).