

Registered company number: 07657300

Registered charity number : 1142413

THE BADUR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 30 JUNE 2012

THE BADUR FOUNDATION

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THE BADUR FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and directors

Csaba Barta	(appointed 3 June 2011)
Judit Durst	(appointed 3 June 2011)
Daniel Hallgarten	(appointed 3 June 2011)
Zsombor Barta	(appointed 3 June 2011)

Registered office

20 Manchester Square
London
W1U 3PZ

Auditors

Macilvin Moore Reverses LLP
7 St. John's Road
Harrow
Middlesex
HA1 2EY

Solicitors

Bates Wells and Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Bankers

Charities Aid Foundation
St Andrew's House
18 – 20 Andrew Street
London
EC4A 3AY

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 JUNE 2012

The Badur Foundation was originally formed on 3 June 2011 as a company limited by guarantee and registered as a charity on 15 June 2011. It is governed by its memorandum and articles of association. 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.

The Trustees are pleased to present their report together with the charity's financial statements for the period ended 30 June 2012. The report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Structure, governance and management

The objects of the Foundation are to support any charitable institution or charitable purpose.

The Foundation operates for the public benefit. It aims to support charitable initiatives across a breadth of sectors, activities and geographies, such as the environment, conservation, sustainable development, education and social welfare. The Trustees would like to work with other not for profit organisations to bring together people of diverse backgrounds and perspectives so that collectively their grants can be effective, bringing about long term change to local communities. 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.

Trustees

The Trustees named on page 2 were appointed on incorporation of the Foundation and have served throughout the period. Trustees intend to meet at least twice a year to consider grant applications, review investment performance and discuss matters of a strategic and administrative nature. The power to appoint new trustees is vested with the members of the Foundation. In considering the recruitment of a new trustee, the members look to individuals with experience, empathy and knowledge of the Foundation's work. On appointment of a new trustee, there is an informal induction process with the members and Trustees outlining the grant making process of the Foundation and trustee responsibilities. Continuing training for Trustees is undertaken through regular meetings and discussions with individuals and organisations and briefing papers (including articles) in the areas supported by the Foundation.

Objectives and activities for the period

Overall the Foundation aims to work with communities in some of the poorest regions or those who are marginalised by society by engaging with projects that use education to balance the cultural attitudes of those communities.

THE BADUR FOUNDATION

REPORT OF THE TRUSTEES (continued) FOR THE PERIOD ENDED 30 JUNE 2012

For this first period of the Foundation's operations, the Trustees agreed that initially their remit would be to fund or make contributions towards various charitable projects in the Luang Prabang region of Laos.

Luang Prabang is a UNESCO World Heritage Site. The Foundation's grants would be used for the following purposes:

- To enhance further education opportunities available to monks, novices and other young people of Laos through the creation of an Academy and scholarships;
- Engage in the restoration and conservation of important temples and Buddhist sites in and around Luang Prabang; and

Assist in the development of environmentally sustainable practices to generally alleviate poverty within the local community through the provision of clean water and sanitation systems.

The Foundation made several grants during the period from incorporation to the year end to the Buddhist Heritage Project who manage the delivery of the projects noted above in that local area.

Going forward, the Trustees intend to broaden the range of projects they support but continuing their primary aim of balancing education with cultural beliefs. The support of the Luang Prabang projects will continue to completion. For the 2012-13 fiscal year, it is envisaged that the Foundation's grant would support the operational and capital costs and also any other specific activities in that region.

Financial review

The Foundation's net deficit for the period was £104,213 and equivalent to its net liabilities at year end. During the period, the Foundation received a cash donation of £324,740 to enable it to commence its grant making operations. It also received a further cash donation of £175,000 after the year end to cover its ongoing grant commitments and clear any deficit.

Reserves

As this is the first financial period for the Foundation, a formal reserves policy has not been adopted. However, the Trustees aim to establish a level of unrestricted funds, in real terms, to ensure that they can meet the future funding requirements of the Foundation's existing grant commitments. It is also envisaged that the unrestricted reserves would be financially adequate and flexible to provide for the Foundation's other grant commitments.

The Capital fund is to be held as an unrestricted fund representing any surplus cash and investments.

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 Foundation lies with its grant giving and the Trustees have established a comprehensive monitoring process to manage this risk.

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REPORT OF THE TRUSTEES (continued) FOR THE PERIOD ENDED 30 JUNE 2012

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on this basis.

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. They 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 Foundation'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

Macilvin Moore Reverses LLP were appointed as the Foundation's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Board on 12 February 2013 and signed on its behalf by:



Daniel Hallgarten
Trustee

THE BADUR FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2012

We have audited the financial statements of The Badur Foundation for the period ending 30 June 2012 which are set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 June 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE BADUR FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 JUNE 2012

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Shailesh V. Patel

Shailesh V. Patel (Senior Statutory Auditor)

For and on behalf of

Macilvin Moore Reverses LLP

Chartered Accountants and
Statutory Auditors

7 St. John's Road

Harrow

Middlesex HA1 2EY

12 February 2013

THE BADUR FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2012

	Note	Unrestricted Funds 2012 £
Incoming resources		
Incoming resources from generated fund		
Voluntary income	2	339,740
Activities for generating funds:		
Investment income	3	14
Total incoming resources		339,754
Resources expended		
Charitable activities		
Grant-making	4(a)	405,885
Cost of grant-making		13,821
Total charitable expenditure		419,706
Governance costs	4(b)	22,301
Total resources expended		442,007
Net resources expended		(102,253)
Realised loss on foreign currency		(1,960)
Net deficit for the year		(104,213)
Net movement in funds		
Reconciliation of funds		
Balance at 3 June 2011		-
Balance carried forward at 30 June 2012		(104,213)

The notes on pages 10 to 13 form part of these financial statements.
The statement of financial activities includes all gains and losses recognised in the year.

THE BADUR FOUNDATION

BALANCE SHEET 30 JUNE 2012

	Note	2012 £
Current assets		
Cash at bank and in hand		57,538
		<u>57,538</u>
Current liabilities		
Creditors: amounts falling due within one year	6	(161,751)
		<u>(104,213)</u>
Net current liabilities		<u>(104,213)</u>
Total assets less current liabilities		<u>(104,213)</u>
Net liabilities		<u>(104,213)</u>
Funds		
Unrestricted capital fund		-
Unrestricted income fund		(104,213)
Total unrestricted funds	7	<u>(104,213)</u>

The financial statements were approved by the Board of the Badur Foundation on 12 February 2013 and signed on their behalf by:


Daniel Hallgarten
Trustee

The notes on pages 10 to 13 form part of these financial statements.
Company number 07657300.

THE BADUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

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 the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements the Foundation follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) revised in March 2005, applicable accounting standards and the Companies Act 2006.

b) Incoming resources

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 at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measureable. No income is recognised where there is no financial cost incurred by the third party.

c) Resources expended

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants payable are charged in the year where the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled or at the point when the fulfilment of the conditions are no longer seen to be within the control of the Trustees. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

d) Support costs

Support costs are allocated to the charitable activity as incurred.

e) Governance costs

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

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2012

f) Taxation

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

g) 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.

h) Going concern

Where total liabilities exceed current assets, the Trustees consider the ability of the Foundation to continue to meet these obligation (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 the financial statements are prepared on a going concern basis.

2. Voluntary income

	2012 £
Donation of cash	324,740
Donation of services	15,000
	<hr/> 339,740 <hr/>

3. Investment income

	2012 £
Bank interest	14
	<hr/> 14 <hr/>

4. Resources expended

a) Charitable

The Foundation made a grants totalling £405,885 during the year to the Buddhist Heritage Project as a contribution towards the restoration of the site at Luang Prabang and also for educational materials.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2012

4. Resources expended (continued)

b) Governance

	2012 £
Audit fee	5,000
Legal and administrative fees – set-up costs	17,301
	<hr/>
	22,301 <hr/>

The Foundation did not have any direct employees during the period. It procured its administrative services during its set-up from a third party. Hence no employee received remuneration amounting to more than £60,000 in the period.

Trustees received no remuneration during the period nor were they reimbursed for any out-of-pocket expenses.

5. Net incoming resources

	2012 £
This is stated after charging: Auditors' remuneration –audit services	<hr/> 5,000 <hr/>

6. Creditors - Amounts falling due within one year

	2012 £
Grant commitments accrued	160,949
Other creditors	802
Accruals	-
	<hr/>
	161,751 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2012

7. Analysis of net assets between funds

	Unrestricted income fund	Unrestricted capital fund	2012 Total
	£	£	£
Net current liabilities	(104,213)	-	(104,213)
Net deficit	(104,213)	-	(104,213)

8. Related party transactions

During its formation stages, the Foundation received services amounting to £10,000 as a donation from HGT Management LLP, an entity in which Daniel Hallgarten has a beneficial interest. It was also invoiced £7,426 for administrative services.

Amounts owed by the Foundation to HGT Management LLP at the year end were £802.

9. Company status

The Company is limited by the guarantee of its members. In the event of a winding up, each member guarantees to pay an amount not exceeding £1. At 30th June 2012, the total of such guarantees was £2.

10. Going concern

At the balance sheet date total liabilities exceeded current assets by £104,213. The Trustees consider, however, that the Foundation is able to meet its obligations as and when they fall due. Following the year end, the Foundation received a donation of £175,000 to cover any deficit and also further commitments made towards the Luang Prabang projects. Accordingly, the Trustees consider that it is appropriate to prepare these financial statements on a going concern basis.