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**THE BORNO FOUNDATION**

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**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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## THE BORNO FOUNDATION

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## THE BORNO FOUNDATION

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Trustees**

Mr Emad Borno, Chairman  
Mr Hamish Borno  
Miss Hannah Rebecca Borno  
Zahra Akkerhuys

#### **Charity registered number**

1129914

#### **Principal office**

124 Newland Street  
Witham  
CM8 1BA

#### **Accountants**

Peters Elworthy & Moore  
Chartered Accountants  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

#### **Bankers**

Barclays  
320 New North Road  
Hainault  
Ilford  
IG6 3BU

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## THE BORNO FOUNDATION

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The Trustees submit their annual report and the financial statements of The Borno Foundation (the Charity) for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP (FRS102) October 2019, effective 1 January 2019).

#### **Objectives and activities**

##### **a. Policies and objectives**

The Trustees may apply the income of the Foundation to charities or for charitable purposes in order to further the objectives of the Charity.

All manner of charitable causes are supported, with the main beneficiaries being charities in the following areas:

- The relief or prevention of poverty or financial hardship.
- The relief of sick and provision of medical aid.
- The relief and assistance of victims of war, natural disaster or catastrophe.
- The advancement of education and training.

The Trustees have considered the Charity Commission's guidance on the operation of public benefit under the Charities Act 2011 and consider that the requirements have been met.

##### **b. Activities undertaken to achieve objectives**

The Foundation make grants to other charitable causes within the UK in order to provide them with funds to complete their work.

#### **Achievements and performance**

##### **a. Review of activities**

During the year the charity made grants and donations of £16,056 (2019: 21,810) to 14 (2019: 14) organisations, the details of which are shown in the notes to the accounts.

In 2019 the Trustees reviewed the valuation of the investment property and the charity's freehold property and considered that the current value of these assets has increased and decreased respectively. The revaluations were reflected in the 2019 accounts.

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## THE BORNO FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Financial review

##### a. Financial Review

The majority of the Charity's income is derived from rental of the investment property. In addition, a small amount of interest is received from cash held on deposit. The income for the year allowed the charity to pay grants in addition to covering the running costs of the investment property during the year.

All of the Foundation's income and expenditure in the year was unrestricted.

##### b. Reserves policy

The Trustees are satisfied that the level of reserves, currently £1,296,101 are adequate to meet the objects of the charity. The reserves excluding tangible fixed assets and fixed/current asset investments were £210,442 (2019: £185,444), which is approximately equivalent to 7 - 8 years expenditure and these reserves enable the Foundation to make grants and donations in excess of their annual income should the need arise.

#### Structure, governance and management

##### a. Constitution

The Charity was formed by a Trust Deed dated 17 March 2009. The Trustees set out the general policy of the charity.

##### b. Methods of appointment or election of Trustees

The Foundation was given charitable status on 1 June 2009. The following Trustees served during the current year:

Mr Emad Borno (Chairman)  
Mr Hamish Borno  
Miss Hannah Rebecca Borno  
Zahra Akkerhuys

Further Trustees must be appointed by the current Trustees by a resolution passed at a special meeting as detailed in the Trust Deed.

#### Plans for future periods and Coronavirus

The Trustees considered that the ongoing Coronavirus pandemic may cause an increase in the number and urgency of applications for financial assistance and the Trustees have considered how best they can respond. The pandemic has not significantly impacted on the charity's income stream, which is deemed to be stable and therefore the Trustees are not expecting the current situation to have a major ongoing financial effect on the charity. As noted in the Reserves Policy, the charity has readily accessible funds available to cover usual annual expenditure for a number of years. For this reason the Trustees are satisfied that the accounts should continue to be prepared on the going concern basis.

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## THE BORNO FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....  
**Mr Hamish Borno**

Date: 26 July 2021

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## THE BORNO FOUNDATION

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### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Independent examiner's report to the Trustees of The Borno Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

#### Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

W Tilbury

**Peters Elworthy & Moore**  
Chartered Accountants  
Peters Elworthy & Moore

Dated: 28 July 2021

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**THE BORNO FOUNDATION**

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Investments	2	53,707	53,707	55,879
<b>Total income</b>		<b>53,707</b>	<b>53,707</b>	55,879
<b>Expenditure on:</b>				
Raising funds	3	8,168	8,168	4,336
Charitable activities	4	17,016	17,016	22,612
<b>Total expenditure</b>		<b>25,184</b>	<b>25,184</b>	26,948
<b>Net income before net gains on investments</b>		<b>28,523</b>	<b>28,523</b>	28,931
Net gains on investments		-	-	400,000
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>28,523</b>	<b>28,523</b>	428,931
<b>Other recognised gains/(losses):</b>				
Losses on revaluation of fixed assets		-	-	(72,000)
<b>Net movement in funds</b>		<b>28,523</b>	<b>28,523</b>	356,931
<b>Reconciliation of funds:</b>				
Total funds brought forward		1,267,578	1,267,578	910,647
Net movement in funds		28,523	28,523	356,931
<b>Total funds carried forward</b>		<b>1,296,101</b>	<b>1,296,101</b>	1,267,578

In 2019 all income, expenditure and funds was unrestricted.

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 8 to 14 form part of these financial statements.



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THE BORNO FOUNDATION

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BALANCE SHEET  
AS AT 31 DECEMBER 2020

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	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	8,000	8,000
Investment property	9	800,000	800,000
		<u>808,000</u>	<u>808,000</u>
<b>Current assets</b>			
Investments	10	277,659	274,134
Cash at bank and in hand		211,402	186,224
		<u>489,061</u>	<u>460,358</u>
Creditors: amounts falling due within one year	11	(960)	(780)
<b>Net current assets</b>		<u>488,101</u>	<u>459,578</u>
<b>Total net assets</b>		<u><u>1,296,101</u></u>	<u><u>1,267,578</u></u>
<b>Charity funds</b>			
Unrestricted funds		<u>1,296,101</u>	<u>1,267,578</u>
<b>Total funds</b>		<u><u>1,296,101</u></u>	<u><u>1,267,578</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....  
**Mr Hamish Borno**

Date: 26 July 2021

The notes on pages 8 to 14 form part of these financial statements.

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## THE BORNO FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (second edition of the Charities SORP (FRS102) October 2019, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Borno Foundation meets the definition of a public benefit entity under FRS 102.

There were no significant estimates or judgements made by management in preparing these financial statements.

##### 1.2 Going concern

The Trustees have reviewed the financial position of the charity, including the impact of COVID-19 and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

##### 1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

##### 1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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## THE BORNO FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. Accounting policies (continued)

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Expenditure on raising funds represents costs incurred on the investment property.

Grants and donations are recognised in the year in which the payment is made.

All expenditure is inclusive of irrecoverable VAT.

##### 1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 50 years once the property is brought into use
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##### 1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

##### 1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## THE BORNO FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. Accounting policies (continued)

##### 1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

##### 1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 2. Investment income

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Rental income	50,182	<b>50,182</b>	55,879
Bank and building society interest	3,525	<b>3,525</b>	-
	<u>53,707</u>	<u><b>53,707</b></u>	<u>55,879</u>

#### 3. Expenditure on raising funds

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Expenditure on investment property	8,168	<b>8,168</b>	4,336
	<u>8,168</u>	<u><b>8,168</b></u>	<u>4,336</u>

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THE BORNO FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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4. Analysis of expenditure by activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	16,056	960	17,016	22,612

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Bank charges	-	25
Independent Examiner's fees	960	777
	960	802

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**THE BORNO FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**5. Analysis of grants**

	<b>Grants to Institutions 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Grants and donations	16,056	<b>16,056</b>	21,810

The Charity has made the following material grants to institutions during the year:

<b>Name of institution</b>	<b>2020 £</b>	<b>2019 £</b>
Barnardo's	<b>476</b>	518
Braintree Food Bank	<b>872</b>	960
Braintree Youth Project Charity	<b>458</b>	-
Cardiac Risk in the Young	<b>723</b>	222
Central London Community Healthcare NHS Trust Charity	<b>649</b>	-
Children's Heart Foundation	-	481
Farleigh Hospice	-	611
Franciscan Convent	-	537
Harwich Connexions Community Trust	<b>1,309</b>	-
Haven House Children's Hospice	<b>670</b>	550
Havens Hospices	<b>1,087</b>	-
Joseph Clarke School for the Blind	<b>583</b>	527
Magic for Smiles	<b>5,000</b>	4,365
Palestinian Medical Relief Society	-	9,586
Parc (Essex)	<b>873</b>	-
RNLI	<b>1,029</b>	1,025
St Josephs Childrens Hospice	<b>1,018</b>	861
The Scouts	<b>1,309</b>	1,345
WWF - UK	-	222
<b>Total grants</b>	<b>16,056</b>	21,810

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## THE BORNO FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 6. Independent examiner's remuneration

	2020 £	2019 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	360	350
Fees payable to the Charity's independent examiner in respect of: All other services not included above	600	427

#### 7. Key management personnel, Trustees' remuneration and expenses

The Charity considers its key management personnel to be the Trustees. The Trustees all give their time and expertise without any kind of remuneration or other benefits in kind (2019: £nil).

During the year ended 31 December 2020, no Trustee expenses have been incurred or have been paid directly to a third party on their behalf (2019: £nil).

#### 8. Tangible fixed assets

	Freehold property £
<b>Cost or valuation</b>	
At 1 January 2020	8,000
At 31 December 2020	8,000
<b>Net book value</b>	
At 31 December 2020	8,000
At 31 December 2019	8,000

The Trustees reviewed the value of the freehold property in 2019 and on the basis of other similar properties, they deemed the carrying value in the accounts to be impaired by 90%. The Trustees did not seek a professional valuation, but based this assessment on their knowledge of the local market. An impairment adjustment was included in the prior year accounts and no changes have been made this financial year.

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THE BORNO FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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9. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 January 2020	800,000
At 31 December 2020	<u>800,000</u>

The property was last professionally valued by Mr Paul Clarke M.N.A.E.A. on 2 October 2009. The Trustees increased the carrying value of the investment property in 2019 based on the value of similar properties in the local area and considered that the value had increased to £800,000. The Trustees did not deem a professional valuation to be required and agreed to revalue the property at 31 December 2019 to an estimated open market value of £800,000. No changes have been made this financial year.

10. Current asset investments

	2020 £	2019 £
Cash held on deposit	<u>277,659</u>	<u>274,134</u>

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals	<u>960</u>	<u>780</u>

12. Related party transactions

During the year Borno Chemists Limited, a company of which the Trustees Mr E Borno and Mr H Borno are directors, made payments of £nil (2019: £nil) on behalf of The Borno Foundation.

There were no other related party transactions during the year.