NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales · Charity number 250851

Details

Other names	BAHA'I COMMUNITY OF THE UNITED KINGDOM
Status	Registered
Legal form	Charitable company
Company number	00355737
Registered	1967-01-04
Register	View on the Charity Commission register

Contact

Address	27 Rutland Gate London SW7 1PD
Phone	02075842566
Email	nsa@bahai.org.uk
Website	www.bahai.org.uk

Activities

Objects: TO ESTABLISH, UPHOLD AND PROMOTE THE SPIRITUAL, EDUCATIONAL AND HUMANITARIAN TEACHINGS OF HUMAN BROTHERHOOD. (FOR FURTHER DETAILS SEE CLAUSE 3 OF THE MEMORANDUM OF ASSOCIATION).

Activities: Promotion of devotional, childrens classes, junior-youth activities, study circles, summer schools. The promotion, protection and adminstration of the Baha'i community in the United Kingdom.

Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Religious Activities, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

Downloaded from opencharities.uk/ew/250851

Geography

- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,728,187	£10,811,226	£13,296,272	48
2023-12-31	£6,981,612	£7,085,820	£12,802,862	47
2022-12-31	£7,030,381	£7,307,897	£12,226,212	54
2021-12-31	£8,426,340	£8,573,766	£13,760,852	49
2020-12-31	£9,001,382	£7,388,146	£13,347,767	44

Trustees

Name	Role	Appointed
DARREN SMITH		2014-04-22
Dr Ronnie Yousefzadeh Bindra		2021-06-30
Dr Shirin Fozdar-Foroudi		2021-04-21
Dr Wendi Momen		2014-06-01
OLINGA TAHZIB		2016-11-21
PATRICK O'MARA		2006-12-10
ROBERT MATTHEW WEINBERG		2015-04-27
Shirin Taherzadeh		2023-05-21
Stephen Murphy		2026-04-25

Downloaded from opencharities.uk/ew/250851

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales - Charity number 250851

Accounts

REGISTERED COMPANY NUMBER: 00355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2024 TO 31 MARCH 2025

FOR

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2024 TO 31 MARCH 2025

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12 to 13
Statement of Financial Position	14 to 15
Statement of Cash Flows	16
Notes to the Statement of Cash Flows	17
Notes to the Financial Statements	18 to 34

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 January 2024 to 31 March 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

- Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

- To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

Over the past three decades, the worldwide Bahá'í community had embarked on a series of plans, directed by the Universal House of Justice. A particular focus had been to raise the capacity of individuals to contribute to the spiritual, material and social advancement of their communities and to create a just and prosperous society. In this connection, much focus had been given to developing a training institute with a sequence of courses that aims to build the needed capacities in individuals to carry out the many tasks that such an enterprise entails. In April 2022, the community embarked on a new series of plans, the first of these, a Nine-Year Plan (2022-2031), focused on enabling individuals to develop skills, knowledge, moral and spiritual qualities needed to contribute positively to their communities which, in turn, become to be characterised by unity, justice, equality, and peace.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

ACHIEVEMENTS AND PERFORMANCE

During 2024-2025, the Bahá'í community has experienced a period of dynamic growth and hope, driven by the continuing implementation of the Nine-Year Plan and the inspiring guidance of the Universal House of Justice's Ridván 2025 message. The House of Justice commended communities worldwide for "shining examples of noble endeavour" and described how the Faith's vision is touching more and more hearts, even as the world faces growing uncertainty and hardship. These developments have been attributed to the global process of learning, which enables friends in all regions to apply insights creatively and bring about tangible progress.

Striking breakthroughs have emerged in varied contexts, particularly in places where the Bahá'í teachings had not previously taken strong root. The plan of increasing capacity of local communities to reach larger numbers, noting that devoted pioneers-on both the home front and abroad-have played a pivotal role in nurturing new "green shoots." Advances in social action, such as those in education and community transformation, have also been prominent, fostering closer relationships with wider populations and expanding the scope of service.

The Ridván message called special attention to the power of hope, "the one hope of a disillusioned humanity," with Bahá'í communities serving as havens of peace and progress amid the darkness of current global conditions. This growing contrast between spiritual light and social turbulence highlights the urgent mandate to offer hope, unity, and healing to those who seek meaningful change. Throughout this period, genuine unity, inclusivity, and resilience have marked the approach to challenges, and these strengths are recognized as vital assets for the future.

Looking onwards, the community is reminded of the urgency of the present hour as the first phase of the Nine-Year Plan nears completion. The House of Justice emphasized that present efforts-undertaken with reliance on divine guidance-are foundational to future success, exhorting all friends to "ceaselessly strive for the betterment of the lives of one another." The National Spiritual Assembly is confident in the collective capacity of the community to respond to this summons and prays for continued progress, increased unity, and a widening impact on the betterment of society.

FINANCIAL REVIEW

FINANCIAL POSITION

The National Assembly continues to organise gatherings across the country to address growing concerns about the National Fund, which has been running a deficit for several years.

Last summer, the National Assembly created a Fund Education Team within the Office of the Treasurer, closely supported by the National Assembly's Treasurer. The team's mission continues to be to educate community members about the needs of the Funds and the spiritual importance of contributing. Treasurer's Notes are still issued each Nineteen Day Feast and is distributed to all Local Assemblies and Groups since November 2023. This team is now collaborating with the treasury assistants that have been appointed in their local areas. They meet with Local Spiritual Assemblies, communities, and individuals to raise awareness about the importance of the funds and they will be drawing on materials prepared by the Fund Education team.

These treasury assistants are supported by the treasurers of the Regional Council and National Assembly, both online and in person during visits. A promising development is the pre-publication release of Ruhi Book 11 , titled Material Means, which covers three units: 1. Giving: The Spiritual Basis of Prosperity 2. The Institution of the Fund 3. The Law of Huqúqu'llah.

FINANCIAL REVIEW

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Baha'i Faith, only Baha'is may contribute to the funds. Thus, the primary source of income is from the Baha'i community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. To the end of the financial year, the investment strategy generated growth of 5.1% on existing equity, bonds and commodities.

Any equities suggested to be held within the portfolio continue to be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

RESERVES POLICIES

In addition to the general funds the National Assembly considers it prudent to have a general reserve to cover its working capital requirement (i.e. the day-to-day inflows and outflows of income and expenditure). An amount equal to £900,000 or 6 months of the annual salary bill - whichever is the greater - will therefore be set aside (to be held in accessible funds) as a general reserve.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 March 2025 the balance was £350,000. Due to the expected increase in Growth, the National Assembly will focus contributions to the National Fund.

Total funds as at the year-end were £13,296,272 of which £3,686,850 is held in Restricted Funds and £9,609,422 in designated funds.

During the year, the National Spiritual Assembly held the amounts invested in equities of £8,028,011, which increased to £10,219,428.

FINANCIAL REVIEW
ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Continental Pioneer Committee	£78,532
Various LSA funds	£1,455,107
Dr Khosrow Taheri	£117,006
International collaboration fund	£143,995
Baha'I International Fund	£1,292,431
Huqúqu'llah	£17,980
Payam-i-Bahai	£23,002
George Ronald publishing	£24,596
Other funds	£19,262

FUTURE PLANS
The coming year sees the community move into the third year of the Nine-Year Plan, and there are plans underway to have another year of intensive training along a large youth conference planned for the summer. The Trustees will therefore continue to focus on the strategies noted earlier to try and increase the net inflow into the Funds by encouraging a significant increase in contributions to the National Fund, and to encourage the spiritual principles of Sacrifice and Universal Participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT
GOVERNING DOCUMENT
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES
The Trustees, who are also knows as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE
The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUSTEE INDUCTION AND TRAINING

New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

RISK STATEMENT

The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

Trustees
Trustees information

Wendi Momen	
Patrick O'Mara	
Darren Smith	(Treasurer)
OlingaTahzib	(Chair)
Robert Weinberg	
Dr Shirin Fozdar-Foroudi	(Vice Chair)
Dr Ronnie Yousefzadeh-Bindra	
Marco Milone	(Secretary)
Shirin Taherzadeh	

Company Secretary
M Milone

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Shaw Gibbs (Audit) Limited
Chartered Certified Accountants
Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Day to day management of the charity is entrusted to its chief executive officer, the Secretary, Marco Milone, and the Treasurer, Darren Smith.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the United Kingdom for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Shaw Gibbs (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 2 December 2025 and signed on its behalf by:

M Milone - Trustee

Opinion

We have audited the financial statements of National Spiritual Assembly of the Baha'is of the United Kingdom (the 'charitable company') for the period ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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, 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases. We will also review the regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited
Chartered Certified Accountants
Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

4 December 2025

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD 1 JANUARY 2024 TO 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Period 1/1/24 to 31/3/25 Total funds £	Year Ended 31/12/23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,080,764	7,011,275	10,092,039	6,612,690
Charitable activities	5				
Guardian's Resting Place		-	15,000	15,000	40,449
Conferences		89,527	-	89,527	-
Schools		147,263	-	147,263	73,582
Plot fees		75,916	-	75,916	72,073
Persian Arts & Letters		25,164	-	25,164	39,565
Other trading activities	3	44,963	-	44,963	23,403
Investment income	4	236,003	2,312	238,315	119,850
Total		3,699,600	7,028,587	10,728,187	6,981,612
EXPENDITURE ON					
Raising funds	6	23,715	-	23,715	46,724
Charitable activities	7				
International funds		1,503,550	6,152,333	7,655,883	4,369,062
Guardian's Resting Place		-	187,242	187,242	189,288
Conferences		22,524	-	22,524	58,844
Schools		110,875	179,706	290,581	264,732
Regional activities - teaching and training		603,628	26,005	629,633	386,994
Community development		34,901	-	34,901	44,486
Organisation of community activities		761,516	90	761,606	666,110
External affairs		204,201	-	204,201	157,825
Property costs		428,271	-	428,271	486,160
Depreciation		173,914	16,317	190,231	147,205
Loss on sale of investment property		35,946	-	35,946	-
Auditors remuneration		19,536	-	19,536	18,275
Local Spiritual Assemblies		-	301,001	301,001	215,191
Persian Arts & Letters		25,955	-	25,955	34,924
Total		3,948,532	6,862,694	10,811,226	7,085,820
Net gains on investments		569,986	6,463	576,449	680,855
NET INCOME		321,054	172,356	493,410	576,647
Transfers between funds	21	(1,000)	1,000	-	-
Net movement in funds		320,054	173,356	493,410	576,647

The notes form part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2024 TO 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Period 1/1/24 to 31/3/25 Total funds £	Year Ended 31/12/23 Total funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		9,289,368	3,513,494	12,802,862	12,226,215
TOTAL FUNDS CARRIED FORWARD		9,609,422	3,686,850	13,296,272	12,802,862

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM (REGISTERED NUMBER: 00355737)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	13	4,346,518	584,584	4,931,102	5,121,332
Investments					
Investments	14	7,525,116	2,849,860	10,374,976	8,132,311
Investment property	15	123,467	46,533	170,000	445,000
		11,995,101	3,480,977	15,476,078	13,698,643
CURRENT ASSETS					
Stocks	16	99,269	-	99,269	67,137
Debtors	17	954,285	-	954,285	208,695
Cash at bank and in hand		537,682	215,851	753,533	950,901
		1,591,236	215,851	1,807,087	1,226,733
CREDITORS					
Amounts falling due within one year	18	(3,572,709)	(9,978)	(3,582,687)	(2,122,514)
NET CURRENT ASSETS		(1,981,473)	205,873	(1,775,600)	(895,781)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,013,628	3,686,850	13,700,478	12,802,862
PROVISIONS FOR LIABILITIES	20	(404,206)	-	(404,206)	-
NET ASSETS		9,609,422	3,686,850	13,296,272	12,802,862
FUNDS	21				
Unrestricted funds				9,609,422	9,289,368
Restricted funds				3,686,850	3,513,494
TOTAL FUNDS				13,296,272	12,802,862

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2025

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 December 2025 and were signed on its behalf by:

D Smith - Trustee

M Milone - Trustee

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2024 TO 31 MARCH 2025

	Notes	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Cash flows from operating activities			
Cash generated from operations	1	1,030,192	(618,428)
Net cash provided by/(used in) operating activities		1,030,192	(618,428)
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(549,235)
Purchase of fixed asset investments		(9,783,105)	(2,564,602)
Sale of fixed asset investments/property		8,116,888	2,226,153
Gain on fixed asset investments		239,054	-
Interest received		195,212	84,246
Dividends received		5,391	324
Net cash used in investing activities		(1,226,560)	(803,114)
Change in cash and cash equivalents in the reporting period		(196,368)	(1,421,542)
Cash and cash equivalents at the beginning of the reporting period	2	949,901	2,371,443
Cash and cash equivalents at the end of the reporting period	2	753,533	949,901

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Net income for the reporting period (as per the Statement of Financial Activities)	493,410	576,647
Adjustments for:		
Depreciation charges	190,231	147,205
Gain on investments	(576,449)	(680,855)
Loss on disposal of fixed assets	35,946	-
Interest received	(195,212)	(84,246)
Dividends received	(5,391)	(324)
Impairment	-	272,789
Increase/(Decrease) in provisions	404,206	-
Increase in stocks	(32,132)	(4,336)
Increase in debtors	(745,590)	(59,553)
Increase/(decrease) in creditors	1,461,173	(785,755)
Net cash provided by/(used in) operations	1,030,192	(618,428)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2023 £
Cash in hand	715	2,489
Notice deposits (less than 3 months)	752,818	948,412
Overdrafts included in bank loans and overdrafts falling due within one year	-	(1,000)
Total cash and cash equivalents	753,533	949,901

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/24 £	Cash flow £	At 31/3/25 £
Net cash			
Cash at bank and in hand	950,901	(197,368)	753,533
Bank overdraft	(1,000)	1,000	-
	949,901	(196,368)	753,533
Total	949,901	(196,368)	753,533

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'Is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The period end was changed to March from December and so these financial statements cover a period of 15 months. Accordingly the prior period figures may not be comparable.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Costs are allocated on an activity basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Investments
Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

continued...

1. ACCOUNTING POLICIES - continued

Financial instruments
Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Donations	8,549,992	5,535,203
Gift aid	629,890	743,658
Legacies	912,157	333,829
	10,092,039	6,612,690

continued...

3. OTHER TRADING ACTIVITIES

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Sales from publishing division	44,963	23,403

4. INVESTMENT INCOME

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Rents received	37,712	35,280
Dividends received	5,391	324
Deposit account interest	195,212	84,246
	238,315	119,850

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Guardian's Resting Place	Guardian's Resting Place	-	28,449
Plot fees	Guardian's Resting Place	15,000	12,000
Events	Conferences	89,527	-
Schools	Schools	147,263	73,582
Plot fees	Plot fees	75,916	72,073
Baha'i Society Persian Arts & Letters Income	Persian Arts & Letters	25,164	39,565
		352,870	225,669

continued...

6. RAISING FUNDS

Other trading activities

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Purchases of literature for resale	23,715	46,724

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
International funds	7,655,062	821	7,655,883
Guardian's Resting Place	187,242	-	187,242
Conferences	22,524	-	22,524
Schools	290,581	-	290,581
Regional activities - teaching and training	629,633	-	629,633
Community development	34,901	-	34,901
Organisation of community activities	-	761,606	761,606
External affairs	204,201	-	204,201
Property costs	428,271	-	428,271
Depreciation	190,231	-	190,231
Loss on sale of investment property	-	35,946	35,946
Auditors remuneration	-	19,536	19,536
Local Spiritual Assemblies	301,001	-	301,001
Persian Arts & Letters	25,955	-	25,955
	9,969,602	817,909	10,787,511

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
International funds	-	821	-	821
Organisation of community activities	480,852	256,467	24,287	761,606
Loss on sale of investment property	-	35,946	-	35,946
Auditors remuneration	-	-	19,536	19,536
	480,852	293,234	43,823	817,909

continued...

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Period 1/1/24 to 31/3/25 £	Year Ended 31/12/23 £
Auditors' remuneration	19,536	18,275
Depreciation - owned assets	190,230	147,205
Deficit on disposal of fixed assets	35,946	-

10. TRUSTEES' REMUNERATION AND BENEFITS

During the period £17,705 (2023: £nil) was paid to M Milone and £nil (2023: £2,956) was paid to R Bindra. This is permitted by the governing document of the charity.

Trustees' expenses

During the period 3 trustees (2023: 5), being directors of the charitable company, received £10,930 (2023 £8,819) for reimbursement of expenses for hotel costs, travel costs and other office expenses.

11. STAFF COSTS

	2025 £	2023 £
Wages and salaries	1,636,997	1,232,477
Social security costs	151,472	110,612
Other pension costs	125,069	90,570
	1,913,538	1,433,659

The key management personnel are considered to be the Trustees only.

The average monthly number of employees during the period was as follows:

	Period 1/1/24 to 31/3/25	Year Ended 31/12/23
Employed staff	48	47

continued...

11. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Period 1/1/24 to 31/3/25	Year Ended 31/12/23
£60,001 - £70,000	1	-
£90,001 - £100,000	-	1
£150,000 - £160,000	1	-
	2	1

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,719,441	3,893,249	6,612,690
Charitable activities			
Guardian's Resting Place	-	40,449	40,449
Schools	73,582	-	73,582
Plot fees	72,073	-	72,073
Persian Arts & Letters	39,565	-	39,565
Other trading activities	23,403	-	23,403
Investment income	112,478	7,372	119,850
Total	3,040,542	3,941,070	6,981,612
EXPENDITURE ON			
Raising funds	46,724	-	46,724
Charitable activities			
International funds	1,100,766	3,268,296	4,369,062
Guardian's Resting Place	-	189,288	189,288
Conferences	58,844	-	58,844
Schools	76,752	187,980	264,732
Regional activities - teaching and training	386,934	60	386,994
Community development	44,486	-	44,486
Organisation of community activities	655,613	10,497	666,110
External affairs	157,825	-	157,825
Property costs	444,395	41,765	486,160
Depreciation	133,156	14,049	147,205
Auditors remuneration	18,275	-	18,275
Local Spiritual Assemblies	-	215,191	215,191
Persian Arts & Letters	34,924	-	34,924

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	3,158,694	3,927,126	7,085,820
Net gains on investments	680,855	-	680,855
NET INCOME	562,703	13,944	576,647
Transfers between funds	(38,177)	38,177	-
Net movement in funds	524,526	52,121	576,647
RECONCILIATION OF FUNDS			
Total funds brought forward	8,764,842	3,461,373	12,226,215
TOTAL FUNDS CARRIED FORWARD	9,289,368	3,513,494	12,802,862

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2024 and 31 March 2025	7,653,240
DEPRECIATION	
At 1 January 2024	2,531,908
Charge for year	190,230
At 31 March 2025	2,722,138
NET BOOK VALUE	
At 31 March 2025	4,931,102
At 31 December 2023	5,121,332

Included in cost or valuation of land and buildings is freehold land of £44,000 (2023 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

continued...

13. TANGIBLE FIXED ASSETS - continued

£ £ £	Cost £	Depreciation	NBV on historical cost basis	NBV based on revalued amounts
Rutland Gate, London	735,744	559,166	176,578	1,911,000
3 Langdale Road, Liverpool	36,952	21,416	15,536	73,625
Willow Island (land)	500	-	500	8,000
Wideford Hill, St Ola, Orkney Isles (land)	500	-	500	36,000
	773,696	580,582	193,114	2,028,625

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800
48 Coniston Road, Goring By Sea, Worthing, BN12 6JT - stated at cost - £428,815

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2024	8,028,011	104,300	8,132,311
Additions	9,783,105	-	9,783,105
Disposals	(8,495,721)	-	(8,495,721)
Revaluations	904,033	51,248	955,281
At 31 March 2025	10,219,428	155,548	10,374,976
NET BOOK VALUE			
At 31 March 2025	10,219,428	155,548	10,374,976
At 31 December 2023	8,028,011	104,300	8,132,311

There were no investment assets outside the UK.

Unlisted investments are stated at market value at the year end. The cost of the investment is £56,542.

continued...

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2024	445,000
Disposals	(275,000)
At 31 March 2025	170,000
NET BOOK VALUE	
At 31 March 2025	170,000
At 31 December 2023	445,000

Fair value at 31 March 2025 is represented by:

	£
Cost	170,000

The investment property is valued based on an existing agreement for the tenant to purchase at a set price, and not at fair value.

16. STOCKS

	2025	2023
	£	£
Stocks	99,269	67,137

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2023
	£	£
Other debtors	34,122	28,920
VAT	-	209
Prepayments and accrued income	920,163	179,566
	954,285	208,695

continued...

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2023
	£	£
Bank loans and overdrafts (see note 19)	-	1,000
Trade creditors	95,324	87,706
Social security and other taxes	-	51,794
VAT	2,226	-
Other creditors	15,295	32,193
Funds held for others	3,171,910	1,926,168
Accruals and deferred income	297,932	23,653
	3,582,687	2,122,514

Included within Funds held for others (falling due within one year and over one year) are amounts received on behalf of other organisations or individuals not recognised in these accounts. Receipts for the year totalled £2,296,758, payments for the year totalled £1,898,816 and investment movements and other adjustments were £847,800.

Deferred income relates to income received before the year end which relates to activities taking place in the next financial year.

	£
Balance as at 31 December 2023	5,468
Amount released to incoming resources	(5,468)
Amount deferred in year	-
Balance as at 31 March 2025	-

19. LOANS

An analysis of the maturity of loans is given below:

	2025	2023
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	-	1,000

A technical bank overdraft arises where a fund is in deficit or where the fund comprises mainly non-cash assets. This is not indicative of an actual overdraft facility at the bank.

continued...

20. PROVISIONS FOR LIABILITIES

	2025	2023
	£	£
Provisions	404,206	-

21. MOVEMENT IN FUNDS

	At 1/1/24	Net movement in funds	Transfers between funds	At 31/3/25
	£	£	£	£
Unrestricted funds				
General fund	132,983	(942,604)	809,621	-
Social Action Fund	6,408	797	-	7,205
Property maintenance fund	337,749	26,387	(14,136)	350,000
Contingency Fund	900,751	69,546	(70,297)	900,000
Capital projects	6,615	2,844	-	9,459
Growth fund	2,639,994	830,889	(632,530)	2,838,353
Guardian's Resting Place	389,054	177,527	-	566,581
UK Temple Fund - Designated Fund	723,012	212,998	-	936,010
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	4,043,292	(57,330)	(93,658)	3,892,304
	9,289,368	321,054	(1,000)	9,609,422
Restricted funds				
Deputisation	157,694	90,181	-	247,875
UK Temple Fund	1,573,770	208,992	-	1,782,762
Guardian's Resting place	910,946	(107,456)	-	803,490
Paul Malcolm Booth Fund	5,631	(1,282)	-	4,349
Baha'i Institute of Higher Education	(1,000)	-	1,000	-
Faroes Centre Fund	259,369	(821)	-	258,548
Residential Centre reserve	228,937	(4,977)	-	223,960
Department of Health	6,183	(941)	-	5,242
Royal York Crescent Apartment	371,964	(11,340)	-	360,624
	3,513,494	172,356	1,000	3,686,850
TOTAL FUNDS	12,802,862	493,410	-	13,296,272

continued...

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,894,749	(3,805,872)	(31,481)	(942,604)
Social Action Fund	797	-	-	797
Property maintenance fund	1	-	26,386	26,387
Contingency Fund	-	-	69,546	69,546
Capital projects	2,844	-	-	2,844
Growth fund	695,000	(77,746)	213,635	830,889
Guardian's Resting Place	78,461	-	99,066	177,527
UK Temple Fund - Designated Fund	27,748	-	185,250	212,998
Funds representing properties held	-	(64,914)	7,584	(57,330)
	3,699,600	(3,948,532)	569,986	321,054
Restricted funds				
Deputisation	115,335	(25,154)	-	90,181
UK Temple Fund	208,992	-	-	208,992
Guardian's Resting place	73,323	(187,242)	6,463	(107,456)
Paul Malcolm Booth Fund	170	(1,452)	-	(1,282)
Baha'i Institute of Higher Education	178,254	(178,254)	-	-
International Funds	6,151,512	(6,151,512)	-	-
Faroes Centre Fund	-	(821)	-	(821)
Residential Centre reserve	-	(4,977)	-	(4,977)
Department of Health	-	(941)	-	(941)
Local Spiritual Assemblies	301,001	(301,001)	-	-
Royal York Crescent Apartment	-	(11,340)	-	(11,340)
	7,028,587	(6,862,694)	6,463	172,356
TOTAL FUNDS	10,728,187	(10,811,226)	576,449	493,410

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/23	Net movement in funds	Transfers between funds	At 31/12/23
	£	£	£	£
Unrestricted funds				
General fund	244,643	232,649	(344,309)	132,983
Social Action Fund	6,013	395	-	6,408
Property maintenance fund	308,356	29,393	-	337,749
Contingency Fund	900,751	-	-	900,751
Capital projects	6,300	6,615	(6,300)	6,615
Growth fund	2,252,615	486,945	(99,566)	2,639,994
Guardian's Resting Place	198,506	186,443	4,105	389,054
UK Temple Fund - Designated Fund	552,912	205,709	(35,609)	723,012
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	4,185,236	(585,446)	443,502	4,043,292
	8,764,842	562,703	(38,177)	9,289,368
Restricted funds				
Deputisation	56,623	101,071	-	157,694
UK Temple Fund	1,543,923	29,847	-	1,573,770
Guardian's Resting place	963,335	(52,389)	-	910,946
Paul Malcolm Booth Fund	6,494	340	(1,203)	5,631
Baha'i Institute of Higher Education	-	(1,000)	-	(1,000)
Faroes Centre Fund	269,794	(10,425)	-	259,369
Residential Centre reserve	233,913	(4,976)	-	228,937
Department of Health	6,255	(72)	-	6,183
Royal York Crescent Apartment	381,036	(48,452)	39,380	371,964
	3,461,373	13,944	38,177	3,513,494
TOTAL FUNDS	12,226,215	576,647	-	12,802,862

continued...

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,652,590	(2,563,501)	143,560	232,649
Social Action Fund	395	-	-	395
Property maintenance fund	-	-	29,393	29,393
Capital projects	6,615	-	-	6,615
Growth fund	298,000	-	188,945	486,945
Guardian's Resting Place	75,694	-	110,749	186,443
UK Temple Fund - Designated Fund	5,835	-	199,874	205,709
Funds representing properties held	1,413	(595,193)	8,334	(585,446)
	3,040,542	(3,158,694)	680,855	562,703
Restricted funds				
Deputisation	101,071	-	-	101,071
UK Temple Fund	29,847	-	-	29,847
Guardian's Resting place	136,899	(189,288)	-	(52,389)
Paul Malcolm Booth Fund	340	-	-	340
Baha'i Institute of Higher Education	186,980	(187,980)	-	(1,000)
International Funds	3,268,296	(3,268,296)	-	-
Faroes Centre Fund	-	(10,425)	-	(10,425)
Residential Centre reserve	1	(4,977)	-	(4,976)
Derby Mulifaith Project	60	(60)	-	-
Department of Health	-	(72)	-	(72)
Local Spiritual Assemblies	215,191	(215,191)	-	-
Royal York Crescent Apartment	2,385	(50,837)	-	(48,452)
	3,941,070	(3,927,126)	-	13,944
TOTAL FUNDS	6,981,612	(7,085,820)	680,855	576,647

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The Contingency Fund (formerly General Reserve) is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

continued...

21. MOVEMENT IN FUNDS - continued

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

The Funds representing properties held was created in 2021 to amalgamate into one single designated fund the following individual designated funds; Royal York Crescent, Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund.

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The Royal York Crescent Apartment fund has been established for the purchase of the apartment and for the subsequent refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'ís Health Care Chaplaincy Support Project.

continued...

21. MOVEMENT IN FUNDS - continued

Transfers between funds

The transfers between unrestricted and designated funds are to reallocate funds as determined necessary by the Trustees.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £115,261 (2023: £90,570).

23. RELATED PARTY DISCLOSURES

During the period D Smith, Trustee, charged £nil (2023: £7,500) respectively to the charity in respect of consultancy services provided.

During the period Milone Consulting Ltd, charged £17,705 (2023: £nil) to the charity in respect of consultancy services provided. Trustee Marco Milone is a Director of the company.

During the period, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £28,913 (2023: £32,807).

During the period, R Bindra, who is the wife of Trustee Dr R Yousefzadeh-Bindra, received remuneration of £47,804 (2023: £37,124).

Included in funds held for others at the period end is £339 (2023: £489) due from Based-UK, which share a mutual Trustee in W Momen.

Included in funds held for others at the period end is £24,596 (2023: £32,920) relating to funds that are held as agents on behalf of George Ronald Publisher Ltd, which share a mutual Director in D Smith. Contributions of £30,000 was received during the period and expenditure of £38,324 was incurred during the year.

24. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2025 £	2023 £
Within one year	9,750	-
Between on and five years	-	-
In more than five years	-	-
	9,750	-

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales - Charity number 250851

Accounts

REGISTERED COMPANY NUMBER: 00355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

FOR

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UK

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12 to 13
Statement of Financial Position	14 to 15
Statement of Cash Flows	16
Notes to the Statement of Cash Flows	17
Notes to the Financial Statements	18 to 33

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

- Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

- To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

Over the past three decades, the worldwide Bahá'í community had embarked on a series of plans, directed by the Universal House of Justice. A particular focus had been to raise the capacity of individuals to contribute to the spiritual, material and social advancement of their communities and to create a just and prosperous society. In this connection, much focus had been given to developing a training institute with a sequence of courses that aims to build the needed capacities in individuals to carry out the many tasks that such an enterprise entails. In April 2022, the community embarked on a new series of plans, the first of these, a Nine-Year Plan (2022-2031), focused on enabling individuals to develop skills, knowledge, moral and spiritual qualities needed to contribute positively to their communities which, in turn, become to be characterised by unity, justice, equality, and peace.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

ACHIEVEMENT AND PERFORMANCE

Since the launch of the Nine-Year Plan in April 2022, there have been numerous messages received from the Universal House of Justice which clearly articulate the goals and aspirations of the worldwide Bahai community. At Ridván 2024, the House of Justice stated:

Two years of a formidable nine-year endeavour have sped by [...] Across the Bahá'í world there is an increased depth of understanding about what is required to further extend the process of community building and effect profound social transformation. But with every passing day, we see too the condition of the world grow more desperate, its divisions more severe. The escalating tensions within societies and between nations affect peoples and places in a myriad ways.

This demands from every conscientious soul a response. We are all too aware that the community [...] cannot expect to be unaffected by the travails of society. Yet, though it is affected by these travails, it is not confused by them; it is saddened by humanity's sufferings, but not paralysed by them. Heartfelt concern must prompt sustained effort to build communities that offer hope in place of despair, unity in place of conflict.

ADVANCING THE GOALS OF THE NINE-YEAR PLAN

In 2023, the National Assembly was profoundly blessed to be able to participate in the Thirteenth International Bahá'í Convention. More than 1,250 delegates representing 176 countries took part in this unparalleled gathering-the largest and most diverse that has yet been held-reverently casting their ballots for the election of the Universal House of Justice. Following the election, delegates consulted upon the capacity-building process underway in communities around the world to contribute to the spiritual, moral, and material advancement of the societies where they reside.

One major milestone in its development was reached by the Forth cluster in Scotland, which achieved an important goal for the United Kingdom. In South Wales, another community that needs to reach the same milestone, there are now around 70 activities involving 350 participants. This community has grown significantly stronger over the year.

In other regions like Greater London, Greater Manchester, and Northern Lights (near Belfast), we have seen increased capacity to support neighbouring communities with experience and resources. This growth means these neighbouring communities are also progressing quickly.

The youth movement has gained momentum. Last summer's Youth Conference was a key event where many young people participated in intensive training and outreach projects. We are learning to keep this momentum going throughout the year with regular youth events, training sessions, and regional conferences.

Additionally, a goal set by the Universal House of Justice was to send 12 experienced volunteers to specific countries in Europe to help with the process underway there. In response, we called for special prayers and have already seen two volunteers, who settled in Bulgaria and Hungary. Others are preparing to move to their assigned countries, and some have volunteered to meet other needs. While there is still much to be done, this initial wave of international volunteers is very promising.

FINANCIAL REVIEW

FINANCIAL POSITION

During March and April of 2023, the National Assembly organized gatherings across the country to address growing concerns about the National Fund, which has been running a deficit for several years. These meetings included a discussion of a message from the Assembly and a video presentation. In the message, the National Assembly urged community members to respond to this urgent financial need:

"The National Assembly calls upon every believer to respond to this urgent need, to place their trust in Bahá'u'lláh, and to give sacrificially to the National Fund in a sustained and generous manner, remembering the words of the Beloved Guardian: 'We must be like the fountain or spring that is continually emptying itself of all that it has and is continually being refilled from an invisible source. To be continually giving out for the good of our fellows undeterred by the fear of poverty and reliant on the unfailing bounty of the Source of all wealth and all good -- this is the secret of right living.'"

The community's response during these fund gatherings in March and April 2023 was very encouraging.

Last summer, the National Assembly created a Fund Education Team within the Office of the Treasurer, closely supported by the National Assembly's Treasurer. The team's mission is to educate community members about the needs of the Funds and the spiritual importance of contributing. They decided to produce a simple newsletter, called Treasurer's Notes, for each Nineteen Day Feast, which has been distributed to all Local Assemblies and Groups since November 2023.

Another initiative has been the launch of a UK Bahá'í Funds website. This site includes resources such as messages from the Universal House of Justice and the National Spiritual Assembly about funds and economic life, stories, videos, Treasurer's Notes, descriptions of the various funds, and a new, mobile-friendly way to make contributions using Google Pay, Apple Pay, cards, and PayPal.

In England, we have started working with small groups of friends who act as treasury assistants in their local areas. They meet with Local Spiritual Assemblies, communities, and individuals to raise awareness about the importance of the funds. There are plans to invite more friends to serve in this role across the country. These treasury assistants are supported by the treasurers of the Regional Council and National Assembly, both online and in person during visits.

A promising development is the pre-publication release of Ruhi Book 11, titled Material Means, which covers three units: 1. Giving: The Spiritual Basis of Prosperity 2. The Institution of the Fund 3. The Law of Huqúqu'lláh.

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Bahá'í Faith, only Bahá'ís may contribute to Bahá'í funds. Thus, the primary source of income is from the Bahá'í community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

FINANCIAL REVIEW

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. In 2023, the investment strategy generated growth of 14% on existing equity, bonds and commodities.

Any equities suggested to be held within the portfolio continue to be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

RESERVES POLICIES

In addition to the general funds the National Assembly considers it prudent to have a general reserve to cover its working capital requirement (i.e. the day to day inflows and outflows of income and expenditure). An amount equal to £900,000 or 6 months of the annual salary bill - whichever is the greater - will therefore be set aside (to be held in accessible funds) as a general reserve.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 December 2023 the balance was £337,749. Due to the expected increase in Growth, the National Assembly will focus contributions to the National Fund.

Total funds as at the year-end were £12,802,862 of which £3,513,494 is held in Restricted Funds and £9,156,385 in designated funds.

During the year, the National Spiritual Assembly held the amounts invested in equities of £4,789,813, which increased to £8,028,011.

ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Continental Pioneer Committee	£130,244
Various LSA funds	£1,042,997
Dr Khosrow Taheri	£115,705
International collaboration fund	£63,707
Baha'I International Fund	£435,368
Huqúqu'llah	£10,494
Payam-i-Bahai	£20,652
George Ronald publishing	£32,920
Other funds	£74,080

FUTURE PLANS

The coming year sees the community move into the third year of the Nine-Year Plan, and there are plans underway to have another year of intensive training along a large youth conference planned for the summer. The Trustees will therefore continue to focus on the strategies noted earlier to try and increase the net inflow into the Funds by encouraging a significant increase in contributions to the National Fund, and to encourage the spiritual principles of Sacrifice and Universal Participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES

The Trustees, who are also knows as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE

The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

TRUSTEE INDUCTION AND TRAINING

New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

STRUCTURE, GOVERNANCE AND MANAGEMENT

RISK STATEMENT

The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

Trustees
Trustees information

Wendi Momen	
Patrick O'Mara	(Secretary)
Dr Vafa Ram	Resigned 21/05/2023
Darren Smith	
OlingaTahzib	(Chair)
Robert Weinberg	
Dr Shirin Fozdar-Foroudi	(Vice Chair)
Dr Ronnie Yousefzadeh-Bindra	
Marco Milone	(Treasurer)
Shirin Taherzadeh	Elected 21/05/2023

Company Secretary
P O'Mara

Auditors
Shaw Gibbs (Audit) Limited
Chartered Certified Accountants
Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Day to day management of the charity is entrusted to its chief executive officer, the Secretary, Patrick O'Mara, and the Treasurer, Marco Milone.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law 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 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Shaw Gibbs (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 25 September 2024 and signed on its behalf by:

.....
P O'Mara - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

Opinion

We have audited the financial statements of National Spiritual Assembly of the Baha'is of the UK (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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, 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases. We will also review the regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A.M. Clifford

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited
Chartered Certified Accountants
Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Date: 25 September 2024

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,719,441	3,893,249	6,612,690	6,860,791
Charitable activities	5				
Guardian's Resting Place		-	40,449	40,449	19,927
Schools		73,582	-	73,582	-
Plot fees		72,073	-	72,073	42,186
Persian Arts & Letters		39,565	-	39,565	-
Other trading activities	3	23,403	-	23,403	20,493
Investment income	4	112,478	7,372	119,850	86,984
Total		3,040,542	3,941,070	6,981,612	7,030,381
EXPENDITURE ON					
Raising funds	6	46,724	-	46,724	27,829
Charitable activities	7				
International funds		1,100,766	3,268,296	4,369,062	4,218,349
Guardian's Resting Place		-	189,288	189,288	160,159
Conferences		58,844	-	58,844	473,601
Schools		76,752	187,980	264,732	216,067
Regional activities - teaching and training		386,934	60	386,994	510,287
Community development		44,486	-	44,486	40,626
Organisation of community activities		655,613	10,497	666,110	601,259
External affairs		157,825	-	157,825	95,004
Property costs		444,395	41,765	486,160	608,139
Depreciation		133,156	14,049	147,205	147,205
Auditors remuneration		18,275	-	18,275	15,610
Local Spiritual Assemblies		-	215,191	215,191	193,762
Persian Arts & Letters		34,924	-	34,924	-
Total		3,158,694	3,927,126	7,085,820	7,307,897
Net gains/(losses) on investments		680,855	-	680,855	(1,257,124)
NET INCOME/(EXPENDITURE)		562,703	13,944	576,647	(1,534,640)
Transfers between funds	20	(38,177)	38,177	-	-
Net movement in funds		524,526	52,121	576,647	(1,534,640)
RECONCILIATION OF FUNDS					
Total funds brought forward		8,764,842	3,461,373	12,226,215	13,760,852

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
TOTAL FUNDS CARRIED FORWARD		9,289,368	3,513,494	12,802,862	12,226,212

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	13	4,520,431	600,901	5,121,332	4,992,091
Investments					
Investments	14	6,004,647	2,127,664	8,132,311	4,886,853
Investment property	15	328,943	116,057	445,000	2,671,151
		10,854,021	2,844,622	13,698,643	12,550,095
CURRENT ASSETS					
Stocks	16	67,137	-	67,137	62,801
Debtors	17	208,695	-	208,695	149,142
Cash at bank and in hand		1,677,932	676,613	2,354,545	2,371,443
		1,953,764	676,613	2,630,377	2,583,386
CREDITORS					
Amounts falling due within one year	18	(3,518,417)	(7,741)	(3,526,158)	(2,907,269)
NET CURRENT ASSETS		(1,564,653)	668,872	(895,781)	(323,883)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,289,368	3,513,494	12,802,862	12,226,212
NET ASSETS		9,289,368	3,513,494	12,802,862	12,226,212
FUNDS	20				
Unrestricted funds				9,289,368	8,764,839
Restricted funds				3,513,494	3,461,373
TOTAL FUNDS				12,802,862	12,226,212

The notes form part of these financial statements

continued...

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 September 2024 and were signed on its behalf by:

.....
P O'Mara - Trustee

.....
M Milone - Trustee

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(618,428)	90,885
Net cash (used in)/provided by operating activities		(618,428)	90,885
Cash flows from investing activities			
Purchase of tangible fixed assets		(549,235)	-
Purchase of fixed asset investments		(2,564,602)	(16,052)
Acquisition of investment property		-	(275,000)
Sale of fixed asset investments/property		2,226,153	1,346
Interest received		84,246	873
Dividends received		324	3,118
Net cash used in investing activities		(803,114)	(285,715)
Change in cash and cash equivalents in the reporting period		(1,421,542)	(194,830)
Cash and cash equivalents at the beginning of the reporting period	2	2,371,443	2,566,273
Cash and cash equivalents at the end of the reporting period	2	949,901	2,371,443

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	576,647	(1,534,640)
Adjustments for:		
Depreciation charges	147,205	147,205
(Gain)/losses on investments	(680,855)	1,257,124
Interest received	(84,246)	(873)
Dividends received	(324)	(3,118)
Impairment	272,789	-
Increase in stocks	(4,336)	(12,625)
(Increase)/decrease in debtors	(59,553)	689,783
Decrease in creditors	(785,755)	(451,971)
Net cash (used in)/provided by operations	(618,428)	90,885

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	2,489	187
Notice deposits (less than 3 months)	2,352,056	2,371,256
Overdrafts included in bank loans and overdrafts falling due within one year	(1,404,644)	-
Total cash and cash equivalents	949,901	2,371,443

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23 £	Cash flow £	At 31/12/23 £
Net cash			
Cash at bank and in hand	2,371,443	(16,898)	2,354,545
Bank overdrafts	-	(1,404,644)	(1,404,644)
	2,371,443	(1,421,542)	949,901
Total	2,371,443	(1,421,542)	949,901

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'Is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Costs are allocated on an activity basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

continued...

1. ACCOUNTING POLICIES - continued

Investments
Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

continued...

1. ACCOUNTING POLICIES - continued

Financial instruments
Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	5,535,203	5,741,304
Gift aid	743,658	735,128
Legacies	333,829	384,359
	6,612,690	6,860,791

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Sales from publishing division	23,403	20,493

continued...

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	35,280	82,993
Dividends received	324	3,118
Deposit account interest	84,246	873
	119,850	86,984

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Guardian's Resting Place	Guardian's Resting Place	28,449	19,927
Plot fees	Guardian's Resting Place	12,000	-
Schools	Schools	73,582	-
Plot fees	Plot fees	72,073	42,186
Baha'i Society Persian Arts & Letters Income	Persian Arts & Letters	39,565	-
		225,669	62,113

6. RAISING FUNDS

Other trading activities

	2023	2022
	£	£
Purchases of literature for resale	46,724	27,829

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
International funds	4,369,062	-	4,369,062
Guardian's Resting Place	189,288	-	189,288
Conferences	58,844	-	58,844
Schools	264,732	-	264,732
Regional activities - teaching and training	386,994	-	386,994
Community development	44,486	-	44,486
Organisation of community activities	15,962	650,148	666,110
External affairs	157,825	-	157,825
Property costs	486,160	-	486,160
Depreciation	147,205	-	147,205
Auditors remuneration	-	18,275	18,275
Local Spiritual Assemblies	215,191	-	215,191
Persian Arts & Letters	34,924	-	34,924
	6,370,673	668,423	7,039,096

continued...

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Organisation of community activities	458,487	188,454	3,207	650,148
Auditors remuneration	-	-	18,275	18,275
	458,487	188,454	21,482	668,423

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	18,275	15,610
Depreciation - owned assets	147,205	147,205

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year £2,956 (2022: £3,207) was paid to R Bindra. This is permitted by the governing document of the charity.

Trustees' expenses

During the year 5 trustees (2022: 6), being directors of the charitable company, received £8,819 (2022 £10,691) for reimbursement of expenses for hotel and travel costs.

11. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,232,477	1,142,333
Social security costs	110,612	95,882
Other pension costs	90,570	81,705
	1,433,659	1,319,920

The key management personnel are considered to be the Trustees only.

The average monthly number of employees during the year was as follows:

	2023	2022
Employed staff	47	54

continued...

11. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£90,001 - £100,000	1	-

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,695,895	4,164,896	6,860,791
Charitable activities			
Guardian's Resting Place	-	19,927	19,927
Plot fees	42,186	-	42,186
Other trading activities	20,493	-	20,493
Investment income	85,905	1,079	86,984
Total	2,844,479	4,185,902	7,030,381
EXPENDITURE ON			
Raising funds	27,829	-	27,829
Charitable activities			
International funds	978,815	3,239,534	4,218,349
Guardian's Resting Place	-	160,159	160,159
Conferences	473,601	-	473,601
Schools	-	216,067	216,067
Regional activities - teaching and training	510,227	60	510,287
Community development	40,626	-	40,626
Organisation of community activities	620,908	(19,649)	601,259
External affairs	95,004	-	95,004
Property costs	576,681	31,458	608,139
Depreciation	133,156	14,049	147,205
Auditors remuneration	15,610	-	15,610
Local Spiritual Assemblies	-	193,762	193,762
Total	3,472,457	3,835,440	7,307,897
Net gains/(losses) on investments	(1,252,278)	(4,846)	(1,257,124)
NET INCOME/(EXPENDITURE)	(1,880,256)	345,616	(1,534,640)
Transfers between funds	(30,114)	30,114	-
Net movement in funds	(1,910,370)	375,730	(1,534,640)

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	10,675,209	3,085,643	13,760,852
TOTAL FUNDS CARRIED FORWARD	8,764,839	3,461,373	12,226,212

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2023	7,404,267
Additions	549,235
Impairments	(300,262)
At 31 December 2023	7,653,240
DEPRECIATION	
At 1 January 2023	2,412,176
Charge for year	147,205
Impairments	(27,473)
At 31 December 2023	2,531,908
NET BOOK VALUE	
At 31 December 2023	5,121,332
At 31 December 2022	4,992,091

Included in cost or valuation of land and buildings is freehold land of £44,000 (2022 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

	Cost £	**Depreciation £**	**NBV on historical cost basis £**	**NBV based on revalued amounts £**
Rutland Gate, London	735,744	544,452	191,292	2,016,000
3 Langdale Road, Liverpool	36,952	20,613	16,339	77,500
Willow Island (land)	500	-	500	8,000

continued...

13. TANGIBLE FIXED ASSETS - continued

Wideford Hill, St Ola, Orkney Isles (land)	500	-	500	36,000
	773,696	565,065	208,631	2,137,500

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2023	4,789,813	97,040	4,886,853
Additions	2,564,602	-	2,564,602
Revaluations	673,596	7,260	680,856
At 31 December 2023	8,028,011	104,300	8,132,311
NET BOOK VALUE			
At 31 December 2023	8,028,011	104,300	8,132,311
At 31 December 2022	4,789,813	97,040	4,886,853

There were no investment assets outside the UK.

Unlisted investments are stated at market value at the year end. The cost of the investment is £56,542.

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023	2,671,151
Disposals	(2,226,151)
At 31 December 2023	445,000
NET BOOK VALUE	
At 31 December 2023	445,000
At 31 December 2022	2,671,151

continued...

15. INVESTMENT PROPERTY - continued

Fair value at 31 December 2023 is represented by:

	£
Cost	445,000

16. STOCKS

	2023	2022
	£	£
Stocks	67,137	62,801

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	28,920	30,920
VAT	209	-
Prepayments and accrued income	179,566	118,222
	208,695	149,142

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 19)	1,404,644	-
Trade creditors	87,706	155,252
Social security and other taxes	51,794	(223)
VAT	-	658
Other creditors	32,193	82,288
Funds held for others	1,926,168	2,607,113
Accruals and deferred income	23,653	62,181
	3,526,158	2,907,269

Included within Funds held for others (falling due within one year and over one year) are amounts received on behalf of other organisations or individuals not recognised in these accounts. Receipts for the year totalled £830,370, payments for the year totalled £1,160,496 and investment movements and other adjustments were (£350,819).

Deferred income relates to income received before the year end which relates to activities taking place in the next financial year.

	£
Balance as at 31 December 2022	18,636
Amount released to incoming resources	(18,636)
Amount deferred in year	5,468
Balance as at 31 December 2023	5,468

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank overdrafts	1,404,644	-

A technical bank overdraft arises where a fund is in deficit or where the fund comprises mainly non-cash assets. This is not indicative of an actual overdraft facility at the bank.

20. MOVEMENT IN FUNDS

	At 1/1/23 £	Net movement in funds £	Transfers between funds £	At 31/12/23 £
Unrestricted funds				
General fund	244,643	232,649	(344,309)	132,983
Social Action Fund	6,013	395	-	6,408
Property maintenance fund	308,356	29,393	-	337,749
General reserve	900,751	-	-	900,751
Capital projects	6,300	6,615	(6,300)	6,615
Growth fund	2,252,615	486,945	(99,566)	2,639,994
Guardian's Resting Place	198,506	186,443	4,105	389,054
UK Temple Fund - Designated Fund	552,912	205,709	(35,609)	723,012
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	4,185,236	(585,446)	443,502	4,043,292
	8,764,842	562,703	(38,177)	9,289,368
Restricted funds				
Deputisation	56,623	101,071	-	157,694
UK Temple Fund	1,543,923	29,847	-	1,573,770
Guardian's Resting place	963,335	(52,389)	-	910,946
Paul Malcolm Booth Fund	6,494	340	(1,203)	5,631
Baha'i Institute of Higher Education	-	(1,000)	-	(1,000)
Faroes Centre Fund	269,794	(10,425)	-	259,369
Residential Centre reserve	233,913	(4,976)	-	228,937
Department of Health	6,255	(72)	-	6,183
Royal York Crescent Apartment	381,036	(48,452)	39,380	371,964
	3,461,373	13,944	38,177	3,513,494
TOTAL FUNDS	12,226,215	576,647	-	12,802,862

continued...

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,652,590	(2,563,501)	143,560	232,649
Social Action Fund	395	-	-	395
Property maintenance fund	-	-	29,393	29,393
Capital projects	6,615	-	-	6,615
Growth fund	298,000	-	188,945	486,945
Guardian's Resting Place	75,694	-	110,749	186,443
UK Temple Fund - Designated Fund	5,835	-	199,874	205,709
Funds representing properties held	1,413	(595,193)	8,334	(585,446)
	3,040,542	(3,158,694)	680,855	562,703
Restricted funds				
Deputisation	101,071	-	-	101,071
UK Temple Fund	29,847	-	-	29,847
Guardian's Resting place	136,899	(189,288)	-	(52,389)
Paul Malcolm Booth Fund	340	-	-	340
Baha'i Institute of Higher Education	186,980	(187,980)	-	(1,000)
International Funds	3,268,296	(3,268,296)	-	-
Faroes Centre Fund	-	(10,425)	-	(10,425)
Residential Centre reserve	1	(4,977)	-	(4,976)
Derby Mulifaith Project	60	(60)	-	-
Department of Health	-	(72)	-	(72)
Local Spiritual Assemblies	215,191	(215,191)	-	-
Royal York Crescent Apartment	2,385	(50,837)	-	(48,452)
	3,941,070	(3,927,126)	-	13,944
TOTAL FUNDS	6,981,612	(7,085,820)	680,855	576,647

continued...

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	790,033	(1,198,772)	653,379	244,640
Social Action Fund	5,832	181	-	6,013
Property maintenance fund	350,000	(81,257)	39,613	308,356
General reserve	900,000	(87,841)	88,592	900,751
Capital projects	-	21,911	(15,611)	6,300
Growth fund	3,175,445	67,172	(990,002)	2,252,615
Guardian's Resting Place	340,382	(141,876)	-	198,506
UK Temple Fund - Designated Fund	715,186	(162,274)	-	552,912
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	4,288,821	(297,500)	193,915	4,185,236
	10,675,209	(1,880,256)	(30,114)	8,764,839
Restricted funds				
Deputisation	5,409	51,214	-	56,623
UK Temple Fund	993,189	550,734	-	1,543,923
Guardian's Resting place	1,103,567	(140,232)	-	963,335
Paul Malcolm Booth Fund	6,274	220	-	6,494
Baha'i Institute of Higher Education	38	(38)	-	-
International Funds	91,770	(91,770)	-	-
Faroes Centre Fund	250,100	19,694	-	269,794
Residential Centre reserve	238,890	(4,977)	-	233,913
Department of Health	6,298	(43)	-	6,255
Royal York Crescent Apartment	390,108	(39,186)	30,114	381,036
	3,085,643	345,616	30,114	3,461,373
TOTAL FUNDS	13,760,852	(1,534,640)	-	12,226,212

continued...

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,369,230	(3,070,445)	(497,557)	(1,198,772)
Social Action Fund	181	-	-	181
Property maintenance fund	1,084	(41,936)	(40,405)	(81,257)
General reserve	2,786	-	(90,627)	(87,841)
Capital projects	21,911	-	-	21,911
Growth fund	375,673	(20,675)	(287,826)	67,172
Guardian's Resting Place	7,355	-	(149,231)	(141,876)
UK Temple Fund - Designated Fund	14,311	-	(176,585)	(162,274)
Funds representing properties held	51,948	(339,401)	(10,047)	(297,500)
	2,844,479	(3,472,457)	(1,252,278)	(1,880,256)
Restricted funds				
Deputisation	51,214	-	-	51,214
UK Temple Fund	550,734	-	-	550,734
Guardian's Resting place	19,927	(160,159)	-	(140,232)
Paul Malcolm Booth Fund	220	-	-	220
Baha'i Institute of Higher Education	216,029	(216,067)	-	(38)
International Funds	3,152,610	(3,239,534)	(4,846)	(91,770)
Faroes Centre Fund	1	19,693	-	19,694
Residential Centre reserve	-	(4,977)	-	(4,977)
Derby Mulifaith Project	60	(60)	-	-
Department of Health	1	(44)	-	(43)
Local Spiritual Assemblies	193,762	(193,762)	-	-
Royal York Crescent Apartment	1,344	(40,530)	-	(39,186)
	4,185,902	(3,835,440)	(4,846)	345,616
TOTAL FUNDS	7,030,381	(7,307,897)	(1,257,124)	(1,534,640)

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The General Reserve is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

continued...

20. MOVEMENT IN FUNDS - continued

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

The Funds representing properties held was created in 2021 to amalgamate into one single designated fund the following individual designated funds; Royal York Crescent, Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund.

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The Royal York Crescent Apartment fund has been established for the purchase of the apartment and for the subsequent refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'ís Health Care Chaplaincy Support Project.

continued...

20. MOVEMENT IN FUNDS - continued

Transfers between funds

The transfer from the designated Royal York Crescent fund to the restricted Royal York Crescent Apartment fund, which were created for the same purpose, was due to an overspend in the restricted fund.

The transfers between unrestricted and designated funds are to reallocate funds as determined necessary by the Trustees.

21. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £90,570 (2022: £81,705).

22. RELATED PARTY DISCLOSURES

During the year D Smith, Trustee, charged £7,500 (2022: £7,500) respectively to the charity in respect of consultancy services provided.

During the year, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £32,807 (2022: £31,049).

During the year, R Bindra, who is the wife of Trustee Dr R Yousefzadeh-Bindra, received remuneration of £37,124 (2022: £26,835).

Included in funds held for others at the year end is £nil (2022: £334,389) relating to funds that are held as agents on behalf of Afnan Library Trust. Patrick O'Mara, Trustee, and the spouse of another trustee are trustees of the Afnan Library Trust.

Included in funds held for others at the year end is £489 (2022: £533) due from Based-UK, which share a mutual Trustee in W Momen.

Included in funds held for others at the year end is £32,930 (2022: £nil) relating to funds that are held as agents on behalf of George Ronald Publisher Ltd, which share a mutual Director in D Smith. Royalty income of £218 was received during the year and expenditure of £50,000 was incurred during the year. This was incurred prior to D Smith becoming a Director of that company.

continued...

23. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2023	2021
	£	£
Within one year	-	4,414
Between on and five years	-	-
In more than five years	-	-
		4,414

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales - Charity number 250851

Accounts

REGISTERED COMPANY NUMBER: 00355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

TUESDAY
AC6LIJIA
A16 27/06/2023 #57
COMPANIES HOUSE

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Statement of Financial Position	13 to 14
Statement of Cash Flows	15
Notes to the Statement of Cash Flows	16
Notes to the Financial Statements	17 to 32

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

- Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

- To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

Over the past 25 years, the worldwide Bahá'í community had embarked on a series of plans, directed by the Universal House of Justice. A particular focus had been to raise the capacity of individuals to contribute to the spiritual, material and social advancement of their communities and to create a just and prosperous society. In this connection much focus had been given to developing a training institute with a sequence of courses that aims to build the needed capacities in individuals to carry out the many tasks that such an enterprise entails. In 2022, the community has embarked on a new series of plans, the first of these, a Nine-Year Plan launched on 21 April with a series of conferences across the United Kingdom drawing on the experience of the last 25 years and focused on Building Vibrant Communities.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

ACHIEVEMENT AND PERFORMANCE

Since the launch of the Nine-Year Plan in April 2022, there have been numerous messages received from the Universal House of Justice which clearly articulate the goals and aspirations of the worldwide Bahai community. At Ridván 2022, the House of Justice stated:

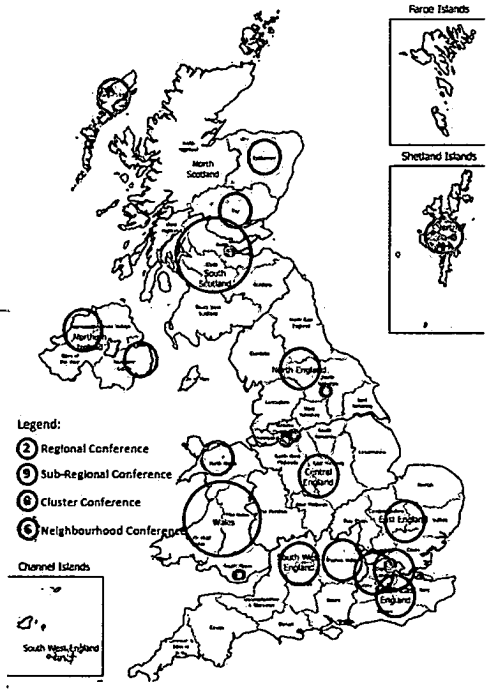
> *As societies experience stresses of various kinds, the followers of the Abhá Beauty must stand out more and more for their qualities of resilience and rationality, for their standard of conduct and their adherence to principle, and for the compassion, detachment, and forbearance they demonstrate in their pursuit of unity.*

ADVANCING THE GOALS OF THE NINE-YEAR PLAN

The extraordinary impetus of a world-wide wave of conferences to launch the Nine-Year Plan around the world began in April 2022, continued into the summer, and witnessed an unprecedented engagement of Bahá'ís and the wider community in responding to the call of the Universal House of Justice.

Some 4,200 souls participated in these conferences at the regional, sub regional, cluster, and neighbourhood levels in the UK. Afghans, East Timorese, Ethiopian, Iranian, and Nepalese were among some of the people from specific receptive populations that participated.

Significant guests such as head teachers, interfaith ministers, representatives from the police force, representatives from various charity organisations, and local activists were also in attendance.



The conferences were also an opportunity for the community to raise its capacity to:

- Engage large numbers of friends of the Faith in studying the guidance of the Universal House of Justice and thinking about how to apply it in their communities;
- Swiftly organise large events that cater for families, children, junior youth, and youth; and to be ready to respond to various language needs;
- Converse with thousands of friends and invite them to a conference about society building;
- Reach out to Bahá'ís who had not recently been engaged in community life;
- And use the arts to bring joy and enhance understanding.

FINANCIAL REVIEW

FINANCIAL POSITION

At the beginning of 2022, the National Spiritual Assembly hosted a Northern Europe Institutional meeting with some 190 people attending in person and the series of worldwide conferences in the United Kingdom also took place. These gave tremendous impetus to the community to launch the Nine-Year Plan and placed significant demand on the National Fund in the coming year. There were also summer intensive training programmes that took place across the United Kingdom, which also included a wonderful opportunity for participants to engage in a number of service projects to supplement their learning.

In the beginning of 2023, fund gatherings took place with all trustees attending and facilitating at least one, with a focus of strengthening the relationship of the friends with the Funds of the Faith. Regarding the various investments of the National Assembly, the markets fell dramatically at the beginning of 2022 due to the war in Europe, and the Investment Committee of the National Spiritual Assembly chose not to disinvest and to ride the market volatility. At the beginning of 2023 it was recommended to invest in money markets to take advantage of the higher interest rates.

It is noted that reserves were drawn on heavily during 2022, and a number of strategies have now been implemented to try and reverse the outflow of funds:

- Strengthening the capacity for planning and budgeting at all levels;
- Reviewing budgets line-by-line to analyse where small savings can be made;
- Considering how tasks can be carried forward by a larger body of volunteers;
- Reflecting on the use of properties for all activities; and
- Ways to reduce the costs of camps that support growth.

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Bahá'í Faith, only Bahá'ís may contribute to Bahá'í funds. Thus the primary source of income is from the Bahá'í community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. In 2022, the investment strategy generated a loss of 9.91%.

Any equities suggested to be held within the portfolio continue to be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

FINANCIAL REVIEW

RESERVES POLICIES

In addition to the general funds the National Assembly considers it prudent to have a general reserve to cover its working capital requirement (i.e. the day to day inflows and outflows of income and expenditure). An amount equal to £900,000 or 6 months of the annual salary bill - whichever is the greater - will therefore be set aside (to be held in accessible funds) as a general reserve. At 31 December 2022 the balance of free reserves was £13,168 plus the general reserve of £900,751. The reserves are reviewed at the beginning of each accounting year in line with the budgets. It is anticipated that 2022 will see an increase in the salary bill but not such that the general reserve will need to be increased.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 December 2022 the balance was £350,000. Due to the expected increase in Growth expenditure to launch the Nine-Year Plan, the National Assembly will focus contributions to the National Fund and to reach the target for the Temple Land Fund.

Total funds as at the year-end were £12,226,212 of which £3,461,373 is held in Restricted Funds.

During the year, the National Spiritual Assembly held the amounts invested in equities of £5,768,806 which decreased to £4,789,813 due to the sudden war in Europe and subsequent inflationary pressures, however the investments remain in line with the strategic asset allocation of the National Assembly and they will continue to be closely monitored.

ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Afnan Library Trust, share in Bridge House, Tonbridge	£333,923
Afnan Library Trust - other funds	£466
Bridge House reserve	£39,667
Continental Pioneer Committee	£191,239
Various LSA funds	£981,730
Dr Khosrow Taheri	£114,474
International collaboration fund	£86,254
Baha'I International Fund	£819,855
Huqúqu'llah	£11,310
Payam-i-Bahai	£19,118
Other funds	£9,077

FUTURE PLANS

The coming year sees the community move into the second year of the Nine-Year Plan, and there are plans underway to have another year of intensive training along a large youth conference planned for the summer. The Trustees will therefore continue to focus on the strategies noted earlier to try and increase the net inflow into the Funds by encouraging a significant increase in contributions to the National Fund, and to encourage the spiritual principles of Sacrifice and Universal Participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES
The Trustees, who are also knows as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE
The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

TRUSTEE INDUCTION AND TRAINING
New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

RISK STATEMENT
The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
00355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

Trustees
Trustees information

Viv Craig	Retired 22/04/2022
Wendi Momen	
Patrick O'Mara	(Secretary)
Dr Vafa Ram	
Darren Smith	(Treasurer)
OlingaTahzib	(Chair)
Robert Weinberg	
Dr Shirin Fozdar-Foroudi	(Vice Chair)
Dr Ronnie Yousefzadeh-Bindra	
Marco Milone	Elected 23/04/2022

Company Secretary
P O'Mara

Auditors
DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Day to day management of the charity is entrusted to its chief executive officer, the Secretary, Patrick O'Mara, and the Treasurer, Darren Smith.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the United Kingdom for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on **06 June 2023** and signed on its behalf by:

.....

P O'Mara - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

Opinion

We have audited the financial statements of National Spiritual Assembly of the Baha'is of the United Kingdom (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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, 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases. We will also review the regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A.M. Clifford

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Date: 13 June 2023

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,695,895	4,164,896	6,860,791	8,251,812
Charitable activities	5				
Guardian's Resting Place		-	19,927	19,927	9,084
Plot fees		42,186	-	42,186	46,042
Other trading activities	3	20,493	-	20,493	28,927
Investment income	4	85,905	1,079	86,984	90,475
Total		2,844,479	4,185,902	7,030,381	8,426,340
EXPENDITURE ON					
Raising funds	6	27,829	-	27,829	43,005
Charitable activities	7				
International funds		978,815	3,239,534	4,218,349	5,467,076
Guardian's Resting Place		-	160,159	160,159	58,128
Conferences		473,601	-	473,601	-
Schools		-	216,067	216,067	335,386
Regional activities - teaching and training		510,227	60	510,287	537,929
Community development		40,626	-	40,626	32,106
Organisation of community activities		620,908	(19,649)	601,259	735,233
External affairs		95,004	-	95,004	129,679
Property costs		576,681	31,458	608,139	640,498
Depreciation		133,156	14,049	147,205	147,206
Auditors remuneration		15,610	-	15,610	15,121
Local Spiritual Assemblies		-	193,762	193,762	405,461
Deputisation		-	-	-	26,938
Total		3,472,457	3,835,440	7,307,897	8,573,766
Net gains/(losses) on investments		(1,252,278)	(4,846)	(1,257,124)	560,511
NET INCOME/(EXPENDITURE)		(1,880,256)	345,616	(1,534,640)	413,085
Transfers between funds	21	(30,114)	30,114	-	-
Net movement in funds		(1,910,370)	375,730	(1,534,640)	413,085
RECONCILIATION OF FUNDS					
Total funds brought forward		10,675,209	3,085,643	13,760,852	13,347,767
TOTAL FUNDS CARRIED FORWARD		8,764,839	3,461,373	12,226,212	13,760,852

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	13	4,377,142	614,949	4,992,091	5,139,296
Investments					
Investments	14	3,544,997	1,341,856	4,886,853	5,855,422
Investment property	15	1,953,323	717,828	2,671,151	2,670,000
		9,875,462	2,674,633	12,550,095	13,664,718
CURRENT ASSETS					
Stocks	16	62,801	-	62,801	50,176
Debtors	17	149,142	-	149,142	838,925
Cash at bank and in hand		1,577,962	793,481	2,371,443	2,703,401
		1,789,905	793,481	2,583,386	3,592,502
CREDITORS					
Amounts falling due within one year	18	(2,900,528)	(6,741)	(2,907,269)	(3,121,368)
NET CURRENT ASSETS		(1,110,623)	786,740	(323,883)	471,134
TOTAL ASSETS LESS CURRENT LIABILITIES		8,764,839	3,461,373	12,226,212	14,135,852
CREDITORS					
Amounts falling due after more than one year	19	-	-	-	(375,000)
NET ASSETS		8,764,839	3,461,373	12,226,212	13,760,852
FUNDS	21				
Unrestricted funds				8,764,839	10,675,209
Restricted funds				3,461,373	3,085,643
TOTAL FUNDS				12,226,212	13,760,852

The notes form part of these financial statements

continued...

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 06 June 2023 and were signed on its behalf by:

.....
P O'Mara - Trustee

.....
D Smith - Trustee

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	90,885	(206,898)
Net cash provided by/(used in) operating activities		90,885	(206,898)
Cash flows from investing activities			
Purchase of fixed asset investments		(16,052)	(602,733)
Acquisition of investment property		(275,000)	-
Sale of fixed asset investments/property		1,346	-
Interest received		873	1,670
Dividends received		3,118	3,733
Net cash used in investing activities		(285,715)	(597,330)
Change in cash and cash equivalents in the reporting period		(194,830)	(804,228)
Cash and cash equivalents at the beginning of the reporting period	2	2,566,273	3,370,501
Cash and cash equivalents at the end of the reporting period	2	2,371,443	2,566,273

The notes form part of these financial statements

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,534,640)	413,085
Adjustments for:		
Depreciation charges	147,205	147,206
Losses/(gain) on investments	1,257,124	(560,511)
Interest received	(873)	(1,670)
Dividends received	(3,118)	(3,733)
(Increase)/decrease in stocks	(12,625)	23,160
Decrease/(increase) in debtors	689,783	(735,172)
(Decrease)/increase in creditors	(451,971)	510,737
Net cash provided by/(used in) operations	90,885	(206,898)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	187	2,294
Notice deposits (less than 3 months)	2,371,256	2,701,107
Overdrafts included in bank loans and overdrafts falling due within one year	-	(137,128)
Total cash and cash equivalents	2,371,443	2,566,273

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank and in hand	2,703,401	(331,958)	2,371,443
Bank overdraft	(137,128)	137,128	-
	2,566,273	(194,830)	2,371,443
Total	2,566,273	(194,830)	2,371,443

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'Is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Costs are allocated on an activity basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

continued...

1. ACCOUNTING POLICIES - continued

Investments
Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

continued...

1. ACCOUNTING POLICIES - continued

Financial instruments
Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	5,741,304	6,280,173
Gift aid	735,128	733,986
Legacies	384,359	1,237,653
	6,860,791	8,251,812

continued...

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Sales from publishing division	20,493	28,927

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	82,993	85,072
Dividends received	3,118	3,733
Deposit account interest	873	1,670
	86,984	90,475

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Guardian's Resting Place	Guardian's Resting Place	19,927	9,084
Plot fees	Plot fees	42,186	46,042
		62,113	55,126

6. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Purchases of literature for resale	27,829	43,005

continued...

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
International funds	4,218,349	-	4,218,349
Guardian's Resting Place	160,159	-	160,159
Conferences	473,601	-	473,601
Schools	216,067	-	216,067
Regional activities - teaching and training	510,287	-	510,287
Community development	40,626	-	40,626
Organisation of community activities	16,563	584,696	601,259
External affairs	95,004	-	95,004
Property costs	608,139	-	608,139
Depreciation	147,205	-	147,205
Auditors remuneration	-	15,610	15,610
Local Spiritual Assemblies	193,762	-	193,762
	6,679,762	600,306	7,280,068

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Organisation of community activities	429,586	140,175	14,935	584,696
Auditors remuneration	-	-	15,610	15,610
	429,586	140,175	30,545	600,306

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	15,610	15,120
Depreciation - owned assets	147,205	147,205
Other operating leases	-	229

continued...

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year £3,207 (2021: £8,610) was paid to R Bindra. This is permitted by the governing document of the charity.

Trustees' expenses

During the year 6 trustees (2021: 3), being directors of the charitable company, received £10,691 (2021 £2,880) for reimbursement of expenses for hotel and travel costs.

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	1,142,333	1,138,914
Social security costs	95,882	99,589
Other pension costs	81,705	81,115
	1,319,920	1,319,618

The key management personnel are considered to be the Trustees only.

The average monthly number of employees during the year was as follows:

	2022	2021
Employed staff	54	49

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,739,625	5,512,187	8,251,812
Charitable activities			
Guardian's Resting Place	9,084	-	9,084
Plot fees	46,042	-	46,042
Other trading activities	28,927	-	28,927
Investment income	81,176	9,299	90,475
Total	2,904,854	5,521,486	8,426,340
EXPENDITURE ON			
Raising funds	43,005	-	43,005
Charitable activities			
International funds	1,084,397	4,382,679	5,467,076

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Guardian's Resting Place	58,128	-	58,128
Schools	235	335,151	335,386
Regional activities - teaching and training	537,929	-	537,929
Community development	32,106	-	32,106
Organisation of community activities	713,918	21,315	735,233
External affairs	129,679	-	129,679
Property costs	370,095	270,403	640,498
Depreciation	133,157	14,049	147,206
Auditors remuneration	15,121	-	15,121
Local Spiritual Assemblies	-	405,461	405,461
Deputisation	-	26,938	26,938
Total	3,117,770	5,455,996	8,573,766
Net gains on investments	466,412	94,099	560,511
NET INCOME	253,496	159,589	413,085
Transfers between funds	(185,016)	185,016	-
Net movement in funds	68,480	344,605	413,085
RECONCILIATION OF FUNDS			
Total funds brought forward	10,606,729	2,741,038	13,347,767
TOTAL FUNDS CARRIED FORWARD	10,675,209	3,085,643	13,760,852

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2022 and 31 December 2022	7,404,267
DEPRECIATION	
At 1 January 2022	2,264,971
Charge for year	147,205
At 31 December 2022	2,412,176
NET BOOK VALUE	
At 31 December 2022	4,992,091
At 31 December 2021	5,139,296

continued...

13. TANGIBLE FIXED ASSETS - continued

Included in cost or valuation of land and buildings is freehold land of £44,000 (2021 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

	Cost	Depreciation	NBV on historical cost basis	NBV based on revalued amounts
	£	£	£	£
Rutland Gate, London	735,744	529,737	206,007	2,100,000
3 Langdale Road, Liverpool	36,952	19,906	17,046	80,600
Willow Island (land)	500	-	500	8,000
Wideford Hill, St Ola, Orkney Isles (land)	500	-	500	36,000
	773,696	549,643	224,053	2,224,600

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

14. FIXED ASSET INVESTMENTS

	Listed investments	Unlisted investments	Totals
	£	£	£
MARKET VALUE			
At 1 January 2022	5,768,806	86,616	5,855,422
Additions	16,052	-	16,052
Disposals	(1,347)	-	(1,347)
Revaluations	(993,698)	10,424	(983,274)
At 31 December 2022	4,789,813	97,040	4,886,853
NET BOOK VALUE			
At 31 December 2022	4,789,813	97,040	4,886,853
At 31 December 2021	5,768,806	86,616	5,855,422

There were no investment assets outside the UK.

Unlisted investments are stated at market value at the year end. The cost of the investment is £56,542.

continued...

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	2,670,000
Additions	275,000
Revaluation	(273,849)
At 31 December 2022	2,671,151
NET BOOK VALUE	
At 31 December 2022	2,671,151
At 31 December 2021	2,670,000

Fair value at 31 December 2022 is represented by:

	£
Valuation in 2022	(273,849)
Valuation in 2018	1,312,964
Valuation in 2021	(357,024)
Cost	1,989,060
	2,671,151

The charity's main investment property was sold in January 2023 and the valuation has been updated to reflect the sale price.

16. STOCKS

	2022	2021
	£	£
Stocks	62,801	50,176

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	30,920	33,395
VAT	-	552
Prepayments and accrued income	118,222	804,978
	149,142	838,925

continued...

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 20)	-	137,128
Trade creditors	155,252	302,180
Social security and other taxes	(223)	24,786
VAT	658	-
Other creditors	82,288	51,520
Funds held for others	2,607,113	2,575,453
Accruals and deferred income	62,181	30,301
	2,907,269	3,121,368

Included within Funds held for others (falling due within one year and over one year) are amounts received on behalf of other organisations or individuals not recognised in these accounts. Receipts for the year totalled £207,911, payments for the year totalled £145,064 and investment movements and other adjustments were -£406,187.

Deferred income relates to income received before the year end which relates to activities taking place in the next financial year.

	£
Balance as at 31 December 2021	9,200
Amount released to incoming resources	(9,200)
Amount deferred in year	18,636
Balance as at 31 December 2022	18,636

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Funds held for others	-	375,000

20. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	-	137,128

A technical bank overdraft arises where a fund is in deficit or where the fund comprises mainly non-cash assets. This is not indicative of an actual overdraft facility at the bank.

continued...

21. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	790,033	(1,198,772)	653,379	244,640
Social Action Fund	5,832	181	-	6,013
Property maintenance fund	350,000	(81,257)	39,613	308,356
General reserve	900,000	(87,841)	88,592	900,751
Capital projects	-	21,911	(15,611)	6,300
Growth fund	3,175,445	67,172	(990,002)	2,252,615
Guardian's Resting Place	340,382	(141,876)	-	198,506
UK Temple Fund - Designated Fund	715,186	(162,274)	-	552,912
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	4,288,821	(297,500)	193,915	4,185,236
	10,675,209	(1,880,256)	(30,114)	8,764,839
Restricted funds				
Deputisation	5,409	51,214	-	56,623
UK Temple Fund	993,189	550,734	-	1,543,923
Guardian's Resting place	1,103,567	(140,232)	-	963,335
Paul Malcolm Booth Fund	6,274	220	-	6,494
Baha'i Institute of Higher Education	38	(38)	-	-
International Funds	91,770	(91,770)	-	-
Faroes Centre Fund	250,100	19,694	-	269,794
Residential Centre reserve	238,890	(4,977)	-	233,913
Department of Health	6,298	(43)	-	6,255
Royal York Crescent Apartment	390,108	(39,186)	30,114	381,036
	3,085,643	345,616	30,114	3,461,373
TOTAL FUNDS	13,760,852	(1,534,640)	-	12,226,212

continued...

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,369,230	(3,070,445)	(497,557)	(1,198,772)
Social Action Fund	181	-	-	181
Property maintenance fund	1,084	(41,936)	(40,405)	(81,257)
General reserve	2,786	-	(90,627)	(87,841)
Capital projects	21,911	-	-	21,911
Growth fund	375,673	(20,675)	(287,826)	67,172
Guardian's Resting Place	7,355	-	(149,231)	(141,876)
UK Temple Fund - Designated Fund	14,311	-	(176,585)	(162,274)
Funds representing properties held	51,948	(339,401)	(10,047)	(297,500)
	2,844,479	(3,472,457)	(1,252,278)	(1,880,256)
Restricted funds				
Deputisation	51,214	-	-	51,214
UK Temple Fund	550,734	-	-	550,734
Guardian's Resting place	19,927	(160,159)	-	(140,232)
Paul Malcolm Booth Fund	220	-	-	220
Baha'i Institute of Higher Education	216,029	(216,067)	-	(38)
International Funds	3,152,610	(3,239,534)	(4,846)	(91,770)
Faroes Centre Fund	1	19,693	-	19,694
Residential Centre reserve	-	(4,977)	-	(4,977)
Derby Mulifaith Project	60	(60)	-	-
Department of Health	1	(44)	-	(43)
Local Spiritual Assemblies	193,762	(193,762)	-	-
Royal York Crescent Apartment	1,344	(40,530)	-	(39,186)
	4,185,902	(3,835,440)	(4,846)	345,616
TOTAL FUNDS	7,030,381	(7,307,897)	(1,257,124)	(1,534,640)

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	1,424,514	(709,408)	74,927	790,033
Social Action Fund	5,572	260	-	5,832
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Capital projects	-	27,313	(27,313)	-
Growth fund	2,172,023	1,003,422	-	3,175,445
Revaluation	2,068,449	-	(2,068,449)	-
Guardian's Resting Place	379,482	(39,100)	-	340,382
UK Temple Fund - Designated Fund	611,941	103,245	-	715,186
Belfast Temple Funds	91,248	5,945	(97,193)	-
Belfast Centre Fund	369,378	(142,271)	(227,107)	-
Residential Centre reserve	2,010,747	(41,035)	(1,969,712)	-
Royal York Crescent	113,865	45,125	(158,990)	-
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	-	-	4,288,821	4,288,821
	10,606,729	253,496	(185,016)	10,675,209
Restricted funds				
Deputisation	5,409	-	-	5,409
UK Temple Fund	738,424	254,765	-	993,189
Guardian's Resting place	1,064,700	96,809	(57,942)	1,103,567
Paul Malcolm Booth Fund	6,114	160	-	6,274
Baha'i Institute of Higher Education	5,631	(5,593)	-	38
International Funds	-	91,770	-	91,770
Faroes Centre Fund	271,415	(21,315)	-	250,100
Residential Centre reserve	243,867	(14,154)	9,177	238,890
Department of Health	6,298	-	-	6,298
Royal York Crescent Apartment	399,180	(242,853)	233,781	390,108
	2,741,038	159,589	185,016	3,085,643
TOTAL FUNDS	13,347,767	413,085	-	13,760,852

continued...

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,865,549	(2,820,871)	245,914	(709,408)
Social Action Fund	260	-	-	260
Capital projects	27,313	-	-	27,313
Growth fund	926,855	(50,000)	126,567	1,003,422
Guardian's Resting Place	19,028	(58,128)	-	(39,100)
UK Temple Fund - Designated Fund	15,259	-	87,986	103,245
Belfast Temple Funds	-	-	5,945	5,945
Belfast Centre Fund	5,464	(147,735)	-	(142,271)
Residential Centre reserve	1	(41,036)	-	(41,035)
Royal York Crescent	45,125	-	-	45,125
	2,904,854	(3,117,770)	466,412	253,496
Restricted funds				
Deputisation	26,938	(26,938)	-	-
UK Temple Fund	254,765	-	-	254,765
Guardian's Resting place	2,710	-	94,099	96,809
Paul Malcolm Booth Fund	160	-	-	160
Baha'i Institute of Higher Education	329,558	(335,151)	-	(5,593)
International Funds	4,474,449	(4,382,679)	-	91,770
Faroes Centre Fund	-	(21,315)	-	(21,315)
Residential Centre reserve	25,967	(40,121)	-	(14,154)
Local Spiritual Assemblies	405,461	(405,461)	-	-
Royal York Crescent Apartment	1,478	(244,331)	-	(242,853)
	5,521,486	(5,455,996)	94,099	159,589
TOTAL FUNDS	8,426,340	(8,573,766)	560,511	413,085

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The General Reserve is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

continued...

21. MOVEMENT IN FUNDS - continued

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

The Funds representing properties held was created last year to amalgamate into one single designated fund the following individual designated funds; Royal York Crescent, Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The National Spiritual Assemblies fund represents funds received for National Spiritual Assemblies overseas.

The Royal York Crescent Apartment fund has been established for the purchase of the apartment and for the subsequent refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'is Health Care Chaplaincy Support Project.

The Edinburgh fund has been established for the refurbishment and upkeep of the property.

continued...

21. MOVEMENT IN FUNDS - continued

Transfers between funds

The transfer from the designated Royal York Crescent fund to the restricted Royal York Crescent Apartment fund, which were created for the same purpose, was due to an overspend in the restricted fund.

The transfers between unrestricted and designated funds are to reallocate funds as determined necessary by the Trustees.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £81,705 (2021: £81,115).

23. RELATED PARTY DISCLOSURES

During the year R Weinberg and D Smith, Trustees, charged £nil (2021: £2,597) and £7,500 (2021: £6,479) respectively to the charity in respect of consultancy services provided.

During the year, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £31,049 (2021: £30,579).

During the year, R Bindra, who is the wife of Trustee Dr R Yousefzadeh-Bindra, received remuneration of £26,835 (2021: £21,406).

Included in funds held for others at the year end is £334,389 (2021: £381,292) relating to funds that are held as agents on behalf of Afnan Library Trust. The spouses of two trustees and the National Spiritual Assembly of the Baha'is of the United Kingdom are trustees of the Afnan Library Trust.

24. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	4,414	63,271
Between on and five years	-	17,914
In more than five years	-	-
	4,414	81,185

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales - Charity number 250851

Accounts

REGISTERED COMPANY NUMBER: 00355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Statement of Financial Position	12 to 13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 30

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

Over the past 25 years, the worldwide Bahá'í community had embarked on a series of plans, directed by the Universal House of Justice. A particular focus had been to raise the capacity of individuals to contribute to the spiritual, material and social advancement of their communities and to create a just and prosperous society. In this connection much focus had been given to developing a training institute with a sequence of courses that aims to build the needed capacities in individuals to carry out the many tasks that such an enterprise entails. In 2022, the community has embarked on a new series of plans, the first of these, a Nine-Year Plan launched on 21 April with a series of conferences across the United Kingdom drawing on the experience of the last 25 years and focused on Building Vibrant Communities.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

ACHIEVEMENT AND PERFORMANCE

While the global health pandemic radically altered the environment within which the Bahá'ís engaged in their efforts, there was not one moment when the community was without the guidance of the Universal House of Justice. An example of the guidance was the following which was received just a few days prior to the UK going into lockdown on 23 March 2020, Naw-Rúz 177:

At a time of another crisis, 'Abdu'l-Bahá offered these words of counsel: "In a day such as this, when the tempests of trials and tribulations have encompassed the world, and fear and trembling have agitated the planet, ye must rise above the horizon of firmness and steadfastness with illumined faces and radiant brows in such wise that, God willing, the gloom of fear and consternation may be entirely obliterated, and the light of assurance may dawn above the manifest horizon and shine resplendently." The world stands more and more in need of the hope and the strength of spirit that faith imparts. Beloved friends, you have of course long been occupied with the work of nurturing within groups of souls precisely the attributes that are required at this time: unity and fellow feeling, knowledge and understanding, a spirit of collective worship and common endeavour. Indeed, we have been struck by how efforts to reinforce these attributes have made communities especially resilient, even when faced with conditions that have necessarily limited their activities. Though having to adapt to new circumstances, the believers have used creative means to strengthen bonds of friendship, and to foster among themselves and those known to them spiritual consciousness and qualities of tranquillity, confidence, and reliance on God. The elevated conversations that have occurred as a result, whether remotely or in person, have been a source of comfort and inspiration to many. Such efforts on your part provide a valuable service at this hour when many souls are perplexed and dismayed, unsure of what will be. However difficult matters are at present, and however close to the limits of their endurance some sections of societies are brought, humanity will ultimately pass through this ordeal, and it will emerge on the other side with greater insight and with a deeper appreciation of its inherent oneness and interdependence.

OBJECTIVES OF THE NINE YEAR PLAN

The objective of the Nine Year Plan which ends in April 2031 is for 22% of all clusters (5,000 out of 22,000 clusters worldwide) to pass the 3rd milestone. The House of Justice has said that these aspirations will entail colossal effort in all years of the Plan, and that they are ambitious, yet are a serious appraisal of what lies ahead.

In the United Kingdom, the institutions have set a goal of 75% of all the clusters (40 out of 52 clusters) within our jurisdiction.

To achieve this ambitious goal, the initial plan is to strengthen the existing 3rd milestone / reservoir clusters: Greater London and Greater Manchester clusters. These clusters currently serve as reservoir clusters for their surrounding areas and it is through connecting with experience in other clusters that are at the same stage of development or more advanced, that friends serving there can gain insights and experience that they can apply to their own reality to advance their efforts.

FINANCIAL REVIEW

FINANCIAL POSITION

All Assemblies can assist the condition of the Fund and will augment the confidence of the believers, by the care and economy they exercise in the expenditure of the funds entrusted to their care, for the contributions of the friends are often made with great sacrifice and devotion and constitute a sacred trust and a challenge to the skill and wisdom of those called upon to administer them.
(The Universal House of Justice, December 29, 1970)

During the last financial year, the United Kingdom struggled with the financial impact of the pandemic, with many people finding themselves out of work or furloughed, which resulted in a reduction in their income. Investment markets also took a significant tumble in March and April 2020 and the economy is only now slowly recovering. But, in 2021, the community started to emerge from online activities as the United Kingdom reduced restrictions as a result of the pandemic. Of course, this happened in different way across each region, but more and more of the local activities went back to face-to-face gatherings. This saw an increase in expenditure during the second half of the year. In addition, the Training Centre was able to be reopened and intensive training for London and nearby clusters were able to use the space.

Projects that may have started before the pandemic also gained pace and the refurbishment of the Hub in Belfast - a premises for activities in the Windsor neighbourhood - moved forward (hopefully to be completed during the coming summer); the renovations at Royal York Crescent also advanced, plus some significant conversations took place to advance the purchase of a Temple Land.

Although the financial report focusses on the year ended 31 December 2021, at the beginning of 2022, the National Spiritual Assembly hosted a Northern Europe Institutional meeting with some 190 people attending in person and the plans to host the series of worldwide conferences in the United Kingdom are fully underway, which will give tremendous impetus to the community as we enter the first year of the Nine Year Plan. Both of these events will place a significant demand on the National Fund in the coming year.

Fund gatherings also took place during the year, with a focus of strengthening the relationship of the friends with the Funds of the Faith. Regarding the various investments of the National Assembly, the Investment Committee of the National Spiritual Assembly, who meet quarterly, navigated the volatility of markets to generate a healthy return for the reserves which are invested to 31 December 2021. However, due to inflationary pressures and the tensions in eastern Europe, investments have fallen since 31 December 2021.

CAPITAL PROJECTS

In 2019, the National Assembly called for £5m to meet the Capital Projects, which the community has responded positively to.

The target of £1.3m for the Guardian's Resting Place Fund was reached in 2020, the main costs to refurbish the Training Centre were also met. The focus in the coming year will be to ensure sufficient funds are available to complete the work at the Master's Apartment in Bristol, the need to complete the work on the Hub in Belfast and there is still £200,000 required to reach the initial goal of £2.5m for the Temple Land.

The Office of the Treasurer remains deeply blessed by the sacrificial and devoted services of its three staff members, and dearly loved volunteers who are supporting the day to day work of the Office - albeit now remotely.

FINANCIAL REVIEW

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Bahá'í Faith, only Bahá'ís may contribute to Bahá'í funds. Thus the primary source of income is from the Bahá'í community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. Despite the continued market volatility, the investment strategy generated just over 6.50% investment return during the past year, down slightly from the 8.86% growth in 2020.

Any equities suggested to be held within the portfolio will also be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

RESERVES POLICIES

In addition to the general funds the National Assembly considers it prudent to have a general reserve to cover its working capital requirement (i.e. the day to day inflows and outflows of income and expenditure). An amount equal to £900,000 or 6 months of the annual salary bill - whichever is the greater - will therefore be set aside (to be held in accessible funds) as a general reserve. At 31 December 2021 the balance of free reserves was £1.18m plus the general reserve. The reserves are reviewed at the beginning of each accounting year in line with the budgets. It is anticipated that 2022 will see an increase in the salary bill but not such that the general reserve will need to be increased.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 December 2021 the balance was £350,000. Due to the expected increase in Growth expenditure to launch the Nine-Year Plan, the National Assembly will focus contributions to the National Fund and to reach the target for the Temple Land Fund.

Total funds as at the year-end were £13,760,853, of which £3,085,643 is held in Restricted Funds.

During the year, the National Spiritual Assembly held the amounts invested in equities of £4,692,178 which increased to £5,855,422. During the first quarter of 2022, much of the growth from 2021 was lost, due to the sudden war in Europe and subsequent inflationary pressures, however the investments remain in line with the strategic asset allocation of the National Assembly and they will continue to be closely monitored.

FINANCIAL REVIEW
ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Afnan Library Trust, share in Bridge House, Tonbridge	£375,000
Afnan Library Trust - other funds	£17,111
Bridge House reserve	£36,667
Continental Pioneer Committee	£49,639
Various LSA funds	£1,024,383
Dr Khosrow Taheri	£114,240
International collaboration fund	£119,820
Baha'I International Fund	£943,231
Other funds	£14,906

FUTURE PLANS
The coming year sees the launch of the new Nine-Year Plan, which commences with a series of conferences across the United Kingdom and the goal of 75% of the Clusters to achieve the 3rd Milestone. It is anticipated that this will have a significant and ongoing impact on expenditure. The Trustees have therefore decided that other than encouraging contributions to meet the target of £2.5m for the Temple Land, the main financial goal, will be to encourage a significant increase in contributions to the National Fund, and to encourage the spiritual principles of Sacrifice and Universal Participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT
GOVERNING DOCUMENT
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES
The Trustees, who are also knows as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE
The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUSTEE INDUCTION AND TRAINING

New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

RISK STATEMENT

The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

Trustees
Trustees information

Viv Craig	Retired 22/04/2022
Barney Leith	Retired 22/04/2021
Wendi Momen	
Patrick O'Mara	(Secretary)
Dr Vafa Ram	
Darren Smith	(Treasurer)
OlingaTahzib	(Chair)
Robert Weinberg	
Annabel Djalili	Resigned* 17/05/2021
Dr Shirin Fozdar-Foroudi	(Vice Chair) Elected 23/04/2021
Dr Ronnie Yousefzadeh-Bindra	Elected 12/06/2021
Marco Milone	Elected 23/04/2022

*Annabel stepped down from service on the National Assembly as she was appointed as an Auxiliary Board member instead, which is another role within the faith and it is not permissible to serve in both these capacities.

Company Secretary
P O'Mara

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Day to day management of the charity is entrusted to its chief executive officer, the Secretary, Patrick O'Mara, and the Treasurer, Darren Smith.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the United Kingdom for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30 August 2022 and signed on its behalf by:

.....
P O'Mara - Trustee

Opinion
We have audited the financial statements of National Spiritual Assembly of the Baha'is of the United Kingdom (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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, 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases. We will also review the regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report
This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A.M. Clifford

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Date: 1 September 2022

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,739,625	5,512,187	8,251,812	8,489,041
Charitable activities	5				
Guardian's Resting Place		9,084	-	9,084	218,536
Schools		-	-	-	380
Plot fees		46,042	-	46,042	110,381
Other trading activities	3	28,927	-	28,927	32,969
Investment income	4	81,176	9,299	90,475	150,075
Total		2,904,854	5,521,486	8,426,340	9,001,382
EXPENDITURE ON					
Raising funds	6	43,005	-	43,005	57,131
Charitable activities	7				
International funds		1,084,397	4,382,679	5,467,076	4,946,003
Guardian's Resting Place		58,128	-	58,128	64,707
Conferences		-	-	-	74
Schools		235	335,151	335,386	1,022
Regional activities - teaching and training		537,929	-	537,929	489,398
Community development		32,106	-	32,106	31,372
Organisation of community activities		713,918	21,315	735,233	705,328
External affairs		129,679	-	129,679	131,167
Property costs		370,095	270,403	640,498	459,314
Depreciation		133,157	14,049	147,206	147,206
Auditors remuneration		15,121	-	15,121	14,534
Local Spiritual Assemblies		-	405,461	405,461	194,019
Deputisation		-	26,938	26,938	146,871
Total		3,117,770	5,455,996	8,573,766	7,388,146
Net gains on investments		466,412	94,099	560,511	639,158
NET INCOME		253,496	159,589	413,085	2,252,394
Transfers between funds	21	(185,016)	185,016	-	-
Net movement in funds		68,480	344,605	413,085	2,252,394
RECONCILIATION OF FUNDS					
Total funds brought forward		10,606,729	2,741,038	13,347,767	11,095,373
TOTAL FUNDS CARRIED FORWARD		10,675,209	3,085,643	13,760,852	13,347,767

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds as restated £
FIXED ASSETS					
Tangible assets	13	4,510,298	628,998	5,139,296	5,286,501
Investments					
Investments	14	4,681,238	1,174,184	5,855,422	4,692,178
Investment property	15	2,145,810	524,190	2,670,000	2,670,000
		11,337,346	2,327,372	13,664,718	12,648,679
CURRENT ASSETS					
Stocks	16	50,176	-	50,176	73,337
Debtors	17	747,155	91,770	838,925	103,753
Cash at bank and in hand		2,036,900	666,501	2,703,401	3,370,501
		2,834,231	758,271	3,592,502	3,547,591
CREDITORS					
Amounts falling due within one year	18	(3,121,368)	-	(3,121,368)	(2,473,503)
NET CURRENT ASSETS		(287,137)	758,271	471,134	1,074,088
TOTAL ASSETS LESS CURRENT LIABILITIES		11,050,209	3,085,643	14,135,852	13,722,767
CREDITORS					
Amounts falling due after more than one year	19	(375,000)	-	(375,000)	(375,000)
NET ASSETS		10,675,209	3,085,643	13,760,852	13,347,767
FUNDS	21				
Unrestricted funds				10,675,209	10,606,729
Restricted funds				3,085,643	2,741,038
TOTAL FUNDS				13,760,852	13,347,767

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 30 August 2022 and were signed on its behalf by:

.....
P O'Mara - Trustee

.....
D Smith - Trustee

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 as restated £
Cash flows from operating activities			
Cash generated from operations	1	(206,898)	2,212,412
Net cash (used in)/provided by operating activities		(206,898)	2,212,412
Cash flows from investing activities			
Purchase of fixed asset investments		(602,733)	(2,006,779)
Sale of fixed asset investments/property		-	320,300
Interest received		1,670	2,964
Dividends received		3,733	6,988
Net cash used in investing activities		(597,330)	(1,676,527)
Change in cash and cash equivalents in the reporting period		(804,228)	535,885
Cash and cash equivalents at the beginning of the reporting period	2	3,370,501	2,834,616
Cash and cash equivalents at the end of the reporting period	2	2,566,273	3,370,501

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	413,085	2,252,394
Adjustments for:		
Depreciation charges	147,206	147,206
Gain on investments	(560,511)	(639,158)
Interest received	(1,670)	(2,964)
Dividends received	(3,733)	(6,988)
Decrease/(increase) in stocks	23,160	(10,587)
(Increase)/decrease in debtors	(735,172)	282,148
Increase in creditors	510,737	190,361
Net cash (used in)/provided by operations	(206,898)	2,212,412

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020 as restated
	£	£
Cash in hand	2,294	3,020
Notice deposits (less than 3 months)	2,701,107	3,367,481
Overdrafts included in bank loans and overdrafts falling due within one year	(137,128)	-
Total cash and cash equivalents	2,566,273	3,370,501

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank and in hand	3,370,501	(667,100)	2,703,401
Bank overdraft	-	(137,128)	(137,128)
	3,370,501	(804,228)	2,566,273
Total	3,370,501	(804,228)	2,566,273

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'Is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Costs are allocated on an activity basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Investments
Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

continued...

1. ACCOUNTING POLICIES - continued

Investments
Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

continued...

1. ACCOUNTING POLICIES - continued

Leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	2021	2020 as restated
	£	£
Donations	6,280,173	5,575,811
Gift aid	733,986	651,410
Legacies	1,237,653	2,261,820
	8,251,812	8,489,041

3. OTHER TRADING ACTIVITIES

	2021	2020 as restated
	£	£
Sales from publishing division	28,927	32,969

4. INVESTMENT INCOME

	2021	2020 as restated
	£	£
Rents received	85,072	140,123
Dividends received	3,733	6,988
Deposit account interest	1,670	2,964
	90,475	150,075

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020 as restated
		£	£
Guardian's Resting Place	Guardian's Resting Place	9,084	218,536
Schools	Schools	-	380
Plot fees	Plot fees	46,042	110,381
		55,126	329,297

6. RAISING FUNDS

Other trading activities

	2021	2020 as restated
	£	£
Purchases of literature for resale	43,005	57,131

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
International funds	5,467,076	-	5,467,076
Guardian's Resting Place	58,128	-	58,128
Schools	335,386	-	335,386
Regional activities - teaching and training	537,929	-	537,929
Community development	32,106	-	32,106
Organisation of community activities	73,165	662,068	735,233
External affairs	129,679	-	129,679
Property costs	640,498	-	640,498
Depreciation	147,206	-	147,206
Auditors remuneration	-	15,121	15,121
Local Spiritual Assemblies	405,461	-	405,461
Deputisation	26,938	-	26,938
	7,853,572	677,189	8,530,761

continued...

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Organisation of community activities	456,721	174,815	30,532	662,068
Auditors remuneration	-	-	15,121	15,121
	456,721	174,815	45,653	677,189

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020 as restated
	£	£
Auditors' remuneration	15,120	14,534
Depreciation - owned assets	147,205	147,206
Other operating leases	229	1,400

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year £8,610 (2020: £nil) was paid to R Bindra. This is permitted by the governing document of the charity.

Trustees' expenses

During the year 3 trustees (2020: 3), being directors of the charitable company, received £2,880 (2020 £4,300) for reimbursement of expenses.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	1,138,914	1,042,538
Social security costs	99,589	90,725
Other pension costs	81,115	75,923
	1,319,618	1,209,186

The key management personnel are considered to be the Trustees only.

The average monthly number of employees during the year was as follows:

	2021	2020 as restated
Employed staff	49	44

No employees received emoluments in excess of £60,000.

continued...

12. PRIOR YEAR ADJUSTMENT

The comparatives have been restated to correct restricted income in a prior year which was allocated as unrestricted income. This has resulted in an increase to the brought forward Royal York Crescent Apartment Restricted fund of £399,180 and corresponding reduction in the Unrestricted General Fund.

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2021 and 31 December 2021	7,404,267
DEPRECIATION	
At 1 January 2021	2,117,766
Charge for year	147,205
At 31 December 2021	2,264,971
NET BOOK VALUE	
At 31 December 2021	5,139,296
At 31 December 2020	5,286,501

Included in cost or valuation of land and buildings is freehold land of £44,000 (2020 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

	Cost £	Depreciation £	NBV on historical cost basis £	NBV based on revalued amounts £
Rutland Gate, London	735,744	515,022	220,722	2,184,000
3 Langdale Road, Liverpool	36,952	19,199	17,753	83,700
Willow Island (land)	500	-	500	8,000
Wideford Hill, St Ola, Orkney Isles (land)	500	-	500	36,000
	773,696	534,221	239,475	2,311,700

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

continued...

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2021	4,602,958	89,220	4,692,178
Additions	602,733	-	602,733
Revaluations	563,115	(2,604)	560,511
At 31 December 2021	5,768,806	86,616	5,855,422
NET BOOK VALUE			
At 31 December 2021	5,768,806	86,616	5,855,422
At 31 December 2020	4,602,958	89,220	4,692,178

There were no investment assets outside the UK.

Unlisted investments are stated at market value at the year end. The cost of the investment is £56,542.

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021 and 31 December 2021	2,670,000
NET BOOK VALUE	
At 31 December 2021	2,670,000
At 31 December 2020	2,670,000

A valuation of the charity's main investment property was obtained on 18 May 2018 by Durlings Chartered Surveyors. The trustees believe that still reflects the fair value at the year end.

16. STOCKS

	2021 £	2020 as restated £
Stocks	50,176	73,337

continued...

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Other debtors	33,395	32,955
VAT	552	1,102
Prepayments and accrued income	804,978	69,696
	838,925	103,753

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Bank loans and overdrafts (see note 20)	137,128	-
Trade creditors	302,180	55,691
Social security and other taxes	24,786	-
Other creditors	51,520	58,809
Funds held for others	2,575,453	2,319,997
Accruals and deferred income	30,301	39,006
	3,121,368	2,473,503

Included within Funds held for others are amounts received on behalf of other organisations or individuals. Receipts for the year totalled £5,398,093, payments for the year totalled £5,215,687 and adjustments were £73,050.

Deferred income relates to income received before the year end which relates to activities taking place in the next financial year.

	£
Balance as at 31 December 2020	20,778
Amount released to incoming resources	(20,778)
Amount deferred in year	18,231
Balance as at 31 December 2021	18,231

continued...

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020 as restated
	£	£
Funds held for others	375,000	375,000

20. LOANS

An analysis of the maturity of loans is given below:

	2021	2020 as restated
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	137,128	-

A technical bank overdraft arises where a fund is in deficit or where the fund comprises mainly non-cash assets. This is not indicative of an actual overdraft facility at the bank.

continued...

21. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	1,424,514	(709,408)	74,927	790,033
Social Action Fund	5,572	260	-	5,832
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Capital projects	-	27,313	(27,313)	-
Growth fund	2,172,023	1,003,422	-	3,175,445
Revaluation	2,068,449	-	(2,068,449)	-
Guardian's Resting Place	379,482	(39,100)	-	340,382
UK Temple Fund - Designated Fund	611,941	103,245	-	715,186
Belfast Temple Funds	91,248	5,945	(97,193)	-
Belfast Centre Fund	369,378	(142,271)	(227,107)	-
Residential Centre reserve	2,010,747	(41,035)	(1,969,712)	-
Royal York Crescent	113,865	45,125	(158,990)	-
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	-	-	4,288,821	4,288,821
	10,606,729	253,496	(185,016)	10,675,209
Restricted funds				
Deputisation	5,409	-	-	5,409
UK Temple Fund	738,424	254,765	-	993,189
Guardian's Resting place	1,064,700	96,809	(57,942)	1,103,567
Paul Malcolm Booth Fund	6,114	160	-	6,274
Baha'i Institute of Higher Education	5,631	(5,593)	-	38
International Funds	-	91,770	-	91,770
Faroes Centre Fund	271,415	(21,315)	-	250,100
Residential Centre reserve	243,867	(14,154)	9,177	238,890
Department of Health	6,298	-	-	6,298
Royal York Crescent Apartment	399,180	(242,853)	233,781	390,108
	2,741,038	159,589	185,016	3,085,643
TOTAL FUNDS	13,347,767	413,085	-	13,760,852

continued...

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,865,549	(2,820,871)	245,914	(709,408)
Social Action Fund	260	-	-	260
Capital projects	27,313	-	-	27,313
Growth fund	926,855	(50,000)	126,567	1,003,422
Guardian's Resting Place	19,028	(58,128)	-	(39,100)
UK Temple Fund - Designated Fund	15,259	-	87,986	103,245
Belfast Temple Funds	-	-	5,945	5,945
Belfast Centre Fund	5,464	(147,735)	-	(142,271)
Residential Centre reserve	1	(41,036)	-	(41,035)
Royal York Crescent	45,125	-	-	45,125
	2,904,854	(3,117,770)	466,412	253,496
Restricted funds				
Deputisation	26,938	(26,938)	-	-
UK Temple Fund	254,765	-	-	254,765
Guardian's Resting place	2,710	-	94,099	96,809
Paul Malcolm Booth Fund	160	-	-	160
Baha'i Institute of Higher Education	329,558	(335,151)	-	(5,593)
International Funds	4,474,449	(4,382,679)	-	91,770
Faroes Centre Fund	-	(21,315)	-	(21,315)
Residential Centre reserve	25,967	(40,121)	-	(14,154)
Local Spiritual Assemblies	405,461	(405,461)	-	-
Royal York Crescent Apartment	1,478	(244,331)	-	(242,853)
	5,521,486	(5,455,996)	94,099	159,589
TOTAL FUNDS	8,426,340	(8,573,766)	560,511	413,085

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	1,941,686	(363,104)	(154,068)	1,424,514
Social Action Fund	5,282	290	-	5,572
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Growth fund	36,115	2,257,908	(122,000)	2,172,023
Revaluation	2,143,376	-	(74,927)	2,068,449
Guardian's Resting Place	306,459	117,600	(44,577)	379,482
UK Temple Fund - Designated Fund	500,000	111,941	-	611,941
Belfast Temple Funds	83,820	7,428	-	91,248
Belfast Centre Fund	163,851	(27,788)	233,315	369,378
Residential Centre reserve	2,051,783	58,625	(99,661)	2,010,747
Edinburgh Centre	-	(4,970)	4,970	-
Royal York Crescent	-	111,196	2,669	113,865
Faroes Centre Fund	-	-	109,510	109,510
	8,482,372	2,269,126	(144,769)	10,606,729
Restricted funds				
Deputisation	128,227	(122,818)	-	5,409
UK Temple Fund	630,298	108,126	-	738,424
Guardian's Resting place	910,871	153,829	-	1,064,700
Paul Malcolm Booth Fund	5,634	480	-	6,114
Baha'i Institute of Higher Education	40	5,591	-	5,631
Faroes Centre Fund	272,294	(879)	-	271,415
Residential Centre reserve	248,844	(107,838)	102,861	243,867
Department of Health	7,539	(1,241)	-	6,298
National Spiritual Assemblies overseas	1,002	(1,002)	-	-
Royal York Crescent Apartment	408,252	(50,980)	41,908	399,180
	2,613,001	(16,732)	144,769	2,741,038
TOTAL FUNDS	11,095,373	2,252,394	-	13,347,767

continued...

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,133,147	(2,799,065)	302,814	(363,104)
Social Action Fund	290	-	-	290
Growth fund	2,181,675	(45,297)	121,530	2,257,908
Guardian's Resting Place	8,629	-	108,971	117,600
UK Temple Fund - Designated Fund	11,773	-	100,168	111,941
Belfast Temple Funds	1,753	-	5,675	7,428
Belfast Centre Fund	1,675	(29,463)	-	(27,788)
Residential Centre reserve	99,661	(41,036)	-	58,625
Edinburgh Centre	25	(4,995)	-	(4,970)
Royal York Crescent	111,196	-	-	111,196
	4,549,824	(2,919,856)	639,158	2,269,126
Restricted funds				
Deputisation	24,053	(146,871)	-	(122,818)
UK Temple Fund	108,126	-	-	108,126
Guardian's Resting place	218,536	(64,707)	-	153,829
Paul Malcolm Booth Fund	480	-	-	480
Baha'i Institute of Higher Education	47,950	(42,359)	-	5,591
International Funds	3,780,576	(3,780,576)	-	-
Faroes Centre Fund	-	(879)	-	(879)
Residential Centre reserve	45,318	(153,156)	-	(107,838)
Department of Health	-	(1,241)	-	(1,241)
Local Spiritual Assemblies	194,019	(194,019)	-	-
National Spiritual Assemblies overseas	26,284	(27,286)	-	(1,002)
Royal York Crescent Apartment	6,216	(57,196)	-	(50,980)
	4,451,558	(4,468,290)	-	(16,732)
TOTAL FUNDS	9,001,382	(7,388,146)	639,158	2,252,394

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The General Reserve is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

continued...

21. MOVEMENT IN FUNDS - continued

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

The Funds representing properties held was created during the year to amalgamate into one single designated fund the following individual designated funds; Royal York Crescent, Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The National Spiritual Assemblies fund represents funds received for National Spiritual Assemblies overseas.

The Royal York Crescent Apartment fund has been established for the purchase of the apartment and for the subsequent refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'ís Health Care Chaplaincy Support Project.

The Edinburgh fund has been established for the refurbishment and upkeep of the property.

Transfers between funds

The transfer from the designated Royal York Crescent fund to the restricted Royal York Crescent Apartment fund, which were created for the same purpose, was due to an overspend in the restricted fund.

continued...

21. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

The transfer from the General fund to Revaluation fund represents the depreciation for the year on the revalued assets.

The transfers from the designated Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund relate to an amalgamation of the designated funds into a single designated fund; Funds representing properties held.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £81,115 (2020: £75,923).

23. RELATED PARTY DISCLOSURES

During the year R Weinberg and D Smith, Trustees, charged £2,597 (2020: £6,234) and £6,479 (2020: £6,000) respectively to the charity in respect of consultancy services provided.

During the year, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £30,579 (2020: £28,245).

During the year, R Bindra, who is the wife of Trustee Dr R Yousefzadeh-Bindra, received remuneration of £21,406 (2020: £nil).

Included in funds held for others at the year end is £381,292 (2020: £392,111) relating to funds that are held as agents on behalf of Afnan Library Trust. The spouses of two trustees and the National Spiritual Assembly of the Baha'is of the United Kingdom are trustees of the Afnan Library Trust.

24. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	63,271	118,000
Between on and five years	17,914	177,935
In more than five years	-	54,000
	81,185	349,935

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

England & Wales - Charity number 250851

Accounts

REGISTERED COMPANY NUMBER: 355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

FOR

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED KINGDOM

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Statement of Financial Position	13 to 14
Statement of Cash Flows	15
Notes to the Statement of Cash Flows	16
Notes to the Financial Statements	17 to 30

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

During the past 25 years, the worldwide Bahá'í community has been embarking on a series of plans, directed by the Universal House of Justice. A particular focus has been the development of a training institute which has a sequence of courses that aims to build capacity in individuals, communities and institutions to develop their own communities to flourish spiritually and materially.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current core activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

ACHIEVEMENT AND PERFORMANCE

While the global health pandemic radically altered the environment within which the believers' in the United Kingdom engaged in advancing the Five Year Plan (this last Plan spanning the past quarter century), there was not one moment when the community was without the guidance of the Universal House of Justice. Given the fundamental importance of three of the Supreme Body's messages in shaping the character and manner of our response to the crisis, we share extracts from them in this report. Just a few days prior to the UK going into lockdown on 23 March 2020, the Naw-Rúz 177 message was received:

> *At a time of another crisis, 'Abdu'l-Bahá offered these words of counsel: "In a day such as this, when the tempests of trials and tribulations have encompassed the world, and fear and trembling have agitated the planet, ye must rise above the horizon of firmness and steadfastness with illumined faces and radiant brows in such wise that, God willing, the gloom of fear and consternation may be entirely obliterated, and the light of assurance may dawn above the manifest horizon and shine resplendently." The world stands more and more in need of the hope and the strength of spirit that faith imparts. Beloved friends, you have of course long been occupied with the work of nurturing within groups of souls precisely the attributes that are required at this time: unity and fellow feeling, knowledge and understanding, a spirit of collective worship and common endeavour. Indeed, we have been struck by how efforts to reinforce these attributes have made communities especially resilient, even when faced with conditions that have necessarily limited their activities. Though having to adapt to new circumstances, the believers have used creative means to strengthen bonds of friendship, and to foster among themselves and those known to them spiritual consciousness and qualities of tranquillity, confidence, and reliance on God. The elevated conversations that have occurred as a result, whether remotely or in person, have been a source of comfort and inspiration to many. Such efforts on your part provide a valuable service at this hour when many souls are perplexed and dismayed, unsure of what will be. However difficult matters are at present, and however close to the limits of their endurance some sections of societies are brought, humanity will ultimately pass through this ordeal, and it will emerge on the other side with greater insight and with a deeper appreciation of its inherent oneness and interdependence.*

A further letter, addressed to all National Spiritual Assemblies, was received on 9 May 2020, which set out how-in light of the present circumstances-the Bahá'í community needed to adjust its efforts to advance the Five Year Plan:

> *...Your efforts to stimulate the advancement of the Plan in its final months will inevitably be shaped by your pressing responsibility to guide the friends in their response to an evolving global crisis...*
>
> *Much, then, has been accomplished, and this is a clear indicator of the strength and confidence of the Bahá'í community. But, as you already appreciate, the current crisis has altered the context in which the Plan is being pursued. We have been impressed by how many communities have taken great strides in adapting to this new reality. Far from viewing the present period as simply a hiatus to be endured with patience, they have recognized that the state of the world has made the need to render meaningful service to humanity more urgent. Naturally, the activities undertaken must suit the prevailing conditions, but there should be no doubt that this is a time for noble aims, high resolve, and intense endeavour.*

OBJECTIVES OF THE FIVE YEAR PLAN

The objective of the Five Year Plan now ending has been for each of the 51 clusters in the United Kingdom and the Faroe Islands to be strengthened, and thus advance along the continuum of development.

In particular, the Universal House of Justice set before the Bahá'í world the formidable task of raising the "number of clusters where a programme of growth has become intensive to 5,000 by Ridván 2021."

Presently the position across the United Kingdom in all clusters is shown in the map and is described in terms of stages of development in the table shown within the chart on the right:

In the United Kingdom, our aim was to contribute 12 clusters to this number, from those which had passed the first mile-stone. At the time of writing, three of these clusters have passed the second milestone: South West Scotland, Solent, and North and East Yorkshire.

Throughout the Plan, the community has consistently striven to advance each cluster towards and beyond its next milestone, by fostering the flow of an increasing number of individuals through the sequence of courses and into the field of service. To achieve this there are two main areas to focus on:

Capacity building
This is at the heart of every effort to advance each cluster. As mentioned, such an advancement can be conceived in terms of two complementary, reinforcing movements: the steady flow of individuals through the sequence of institute courses, and the movement of clusters from one stage of development to the next. Much was learnt this year about advancing each of these in terms of capacity building.

Clusters to move from one stage of development to the next
For a cluster to advance from one stage of development to the next, the number of individuals serving as protagonists of the Plan within the cluster needs to increase:

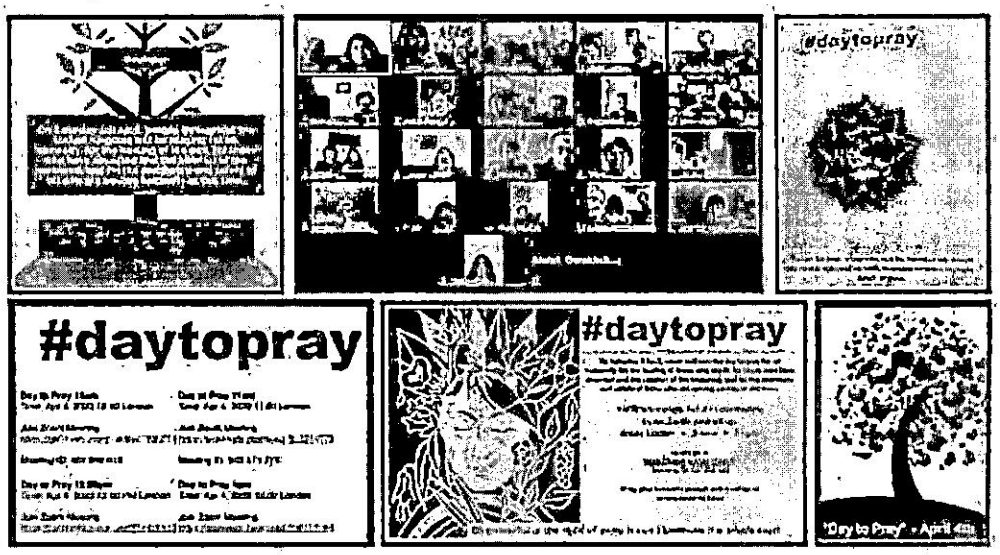
> *Whereas, when a programme of growth is nascent in a cluster, there might be a handful of individuals who are involved in its promotion and those who are participating might come from only several households, by the time a programme has become intensive, these figures, as one would expect, have grown: perhaps tens of individuals active in the work of expansion and consolidation, while those participating might well surpass a hundred. But being able to reach out to large numbers-mobilizing a hundred people or more, whose service connects them with many hundreds or even thousands-requires the capacity to adapt to a substantial increase in complexity.*
> *(The Universal House of Justice, 29 December 2015, To the Conference of the Continental Boards of Counsellors)*

STRENGTHENING THE DEVOTIONAL CHARACTER OF THE COMMUNITY

Lockdown presented new challenges in lending support to, and accompanying, others who were striving to advance their clusters and reach out to new souls. Devotionals were, however, one portal to which people could be readily invited and became a focus for the year.

From the moment the United Kingdom first went into lockdown, the Bahá'í community instinctively turned to prayer. The Naw-Rúz message of the Universal House of Justice observed that the "world stands more and more in need of the hope and the strength of spirit that faith imparts." The number of online devotional meetings increased-some individuals and communities even hosting them on a daily basis-creating a sense of solidarity and support, where ardent prayer for the relief of suffering conveyed "qualities of tranquillity, confidence, and reliance on God," and led to "elevated conversations."

To lend impetus to the efforts already underway, the National Spiritual Assembly invited every soul living in every community across the United Kingdom one to join together in a Day to Pray on Saturday 4 April.



FINANCIAL REVIEW

FINANCIAL POSITION

All Assemblies can assist the condition of the Fund and will augment the confidence of the believers, by the care and economy they exercise in the expenditure of the funds entrusted to their care, for the contributions of the friends are often made with great sacrifice and devotion and constitute a sacred trust and a challenge to the skill and wisdom of those called upon to administer them.
(The Universal House of Justice, December 29, 1970)

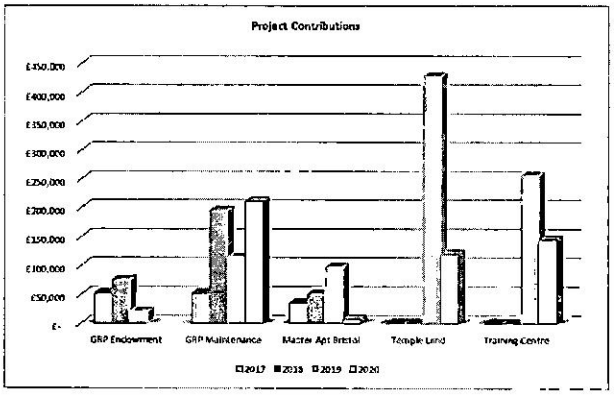
During the last financial year, the United Kingdom struggled with the financial impact of the pandemic, with many people finding themselves out of work or furloughed, which resulted in a reduction in their income. Investment markets also took a significant tumble in March and April 2020 and the economy is only now slowly recovering. But, as noted within other sections of this Report, the work of the Cause did not slow down. With the move online of most activities that would normally have taken place in person however, the cost to the Fund was reduced.

The health pandemic though did not hinder most of the planned projects from advancing, although in some cases, there were unavoidable delays. While activities could not take place at the Bahá'í Training Centre, work was carried out to improve its roof and gardens. The refurbishment of the Windsor Community Hub in Belfast moved forward, as did renovations at the Master's apartment at 17 Royal York Crescent, Bristol. Conversations to advance the purchase of land for a future national Mashriqu'l-Adhkár continued apace. Alongside these significant projects, the upkeep of the Guardian's Resting Place was maintained. There were also the usual general costs to the National Fund to advance the teaching work, including the functioning of Bahá'í institutions and agencies.

Throughout 2020, the National Spiritual Assembly invited the friends to attend online deepening sessions, focussing on raising consciousness of two spiritual principles: sacrifice and universal participation. The deepening was offered across all regions and cluster and, although the numbers of participants were not as high as had been hoped for, the level of contributions during the year, amidst the backdrop of the pandemic, was very significant. The Investment Committee of the National Assembly also kept a close eye on what was happening in the market to try to navigate safely the investments held by the Fund.

CAPITAL PROJECTS

In 2019, the National Assembly called for £5 million for capital projects. There was a wonderful response throughout that year from the community, although in 2020 contributions dipped slightly. Some additional changes have, however, taken place since. The target of £1.3m for the Guardian's Resting Place Endowment Fund was reached, the figure required to achieve the investment returns needed to meet the day-to-day costs of maintenance at this sacred spot. The National Assembly therefore merged the Maintenance Fund and the Endowment Fund, and decided that it will not be allowed to fall below £1.3m.



Surplus investment returns allocated to the Guardian's Resting Place will now be redirected to the refurbishment of the Master's apartment in Bristol which, alongside contributions from the friends, should be sufficient to meet the renovation costs this year.

The total amount therefore still required from the community for capital projects is now slightly more than £1m, specifically to meet the goal of £2.5m set to purchase Temple land in or as close as possible to London.

The Office of the Treasurer remains deeply blessed by the sacrificial and devoted services of its three staff members, and dearly loved volunteers who are supporting the day to day work of the Office - albeit now remotely.

FINANCIAL REVIEW

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Bahá'í Faith, only Bahá'ís may contribute to Bahá'í funds. Thus the primary source of income is from the Bahá'í community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. Despite the market challenges in 2020, the investment portfolio was able to generate an 8.85% return.

Any equities suggested to be held within the portfolio will also be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

RESERVES POLICIES

In addition to the general funds the charity aims to hold a general reserve to cover working capital requirements which is equal to six months' average expenditure, for 2020 this was estimated at £900,000, and additional reserves for specific activities. The reserves are reviewed at the beginning of each accounting year in line with the budgets.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 December 2020 the balance was £350,000. In anticipation of work that is still to be carried out in the coming year on Royal York Crescent along with the continued search for a Temple Land, the National Assembly will continue to encourage contributions into the "Capital Projects" Fund.

Total funds as at the year-end were £13,347,767, of which £2,341,368 is held in Restricted Funds and £9,182,215 in Designated Funds.

During the year, the National Spiritual Assembly increased significantly the amount invested from £2,366,541 to £4,692,178 which was undertaken shortly after the markets fell in March and April 2020. The investments are in line with the strategic asset allocation of the National Assembly and the investments will continue to be closely monitored each quarter by the Assembly.

FINANCIAL REVIEW
ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Afnan Library Trust, share in Bridge House, Tonbridge	£375,000
Afnan Library Trust - other funds	£17,111
Bridge House reserve	£36,667
Continental Pioneer Committee	£49,639
Various LSA funds	£1,024,383
Dr Khosrow Taheri	£114,240
International collaboration fund	£119,820
Baha'l International Fund	£943,231
Other funds	£14,906

FUTURE PLANS
In January 2021, the National Spiritual Assembly reconfirmed to the UK community the plans to acquire a site upon which the significant edifice of a Mashriqu'l-Adhkár will be raised up. The National Assembly also announced that the work to refurbish the residential training centre was nearing completion and should be finished by the time it is permissible to hold large gatherings once again and that the restoration of Royal York Crescent was well underway and if possible the space would be open in time for the Centenary of the Ascension of 'Abdu'l-Bahá. These plans along with the acceleration of the teaching work would remain the focus of the National Spiritual Assembly during this significant 12 month plan of the Universal House of Justice.

STRUCTURE, GOVERNANCE AND MANAGEMENT
GOVERNING DOCUMENT
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES
The Trustees, who are also knows as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE
The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUSTEE INDUCTION AND TRAINING

New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

RISK STATEMENT

The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

Trustees
Trustees information

Viv Craig	(Chair)
Barney Leith	Retired 22/04/2021
Wendi Momen	
Patrick O'Mara	(Secretary)
Vafa Ram	
Darren Smith	(Treasurer)
OlingaTahzib	(Vice Chair)
Robert Weinberg	
Annabel Djalili	Resigned 17/05/2021
Dr Shirin Fozdar-Foroudi	Elected 23/04/2021
Dr Ronnie Yousefzadeh-Bindra	Elected 12/06/2021

Company Secretary
P O'Mara

Auditors
DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

REFERENCE AND ADMINISTRATIVE DETAILS

Day to day management of the charity is entrusted to its chief executive officer, the Company Secretary, Patrick O'Mara, Trustee Mr. Robert Weinberg, and the Treasurer, Darren Smith.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the United Kingdom for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 07 September 2021 and signed on its behalf by:

.....
P O'Mara - Trustee

Opinion
We have audited the financial statements of National Spiritual Assembly of the Baha'is of the United Kingdom (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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, 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

We considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the Charity's key performance indicators to meet targets. We discussed these risks with client management, designed audit procedures to test the timing of income, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A.M. Clifford

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Date: 9 September 2021

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	4,256,537	4,232,504	8,489,041	6,305,547
Charitable activities	5				
Guardian's Resting Place		-	218,536	218,536	184,833
Schools		380	-	380	197,923
Plot fees		110,381	-	110,381	-
Other trading activities	3	32,969	-	32,969	53,795
Investment income	4	149,557	518	150,075	170,776
Total		4,549,824	4,451,558	9,001,382	6,912,874
EXPENDITURE ON					
Raising funds	6	57,131	-	57,131	52,423
Charitable activities	7				
International funds		1,138,140	3,807,863	4,946,003	4,330,387
Guardian's Resting Place		-	64,707	64,707	120,628
Conferences		74	-	74	57,621
Schools		1,022	-	1,022	158,916
Regional activities - teaching and training		489,398	-	489,398	669,612
Community development		31,372	-	31,372	61,776
Organisation of community activities		662,090	43,238	705,328	672,460
External affairs		129,926	1,241	131,167	126,648
Property costs		263,012	196,302	459,314	248,351
Depreciation		142,229	4,977	147,206	101,193
Auditors remuneration		14,534	-	14,534	15,500
Local Spiritual Assemblies		-	194,019	194,019	195,837
Deputisation		-	146,871	146,871	-
Total		2,928,928	4,459,218	7,388,146	6,811,352
Net gains on investments		639,158	-	639,158	538,461
NET INCOME/(EXPENDITURE)		2,260,054	(7,660)	2,252,394	639,983
Transfers between funds	19	(144,769)	144,769	-	-
Net movement in funds		2,115,285	137,109	2,252,394	639,983
RECONCILIATION OF FUNDS					
Total funds brought forward		8,890,624	2,204,749	11,095,373	10,455,390
TOTAL FUNDS CARRIED FORWARD		11,005,909	2,341,858	13,347,767	11,095,373

The notes form part of these financial statements

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	5,042,634	243,867	5,286,501	5,433,707
Investments					
Investments	13	3,592,272	1,099,906	4,692,178	2,366,541
Investment property	14	2,129,063	540,937	2,670,000	2,670,000
		10,763,969	1,884,710	12,648,679	10,470,248
CURRENT ASSETS					
Stocks	15	73,337	-	73,337	62,750
Debtors	16	103,753	-	103,753	385,901
Cash at bank and in hand		2,913,353	457,148	3,370,501	2,834,616
		3,090,443	457,148	3,547,591	3,283,267
CREDITORS					
Amounts falling due within one year	17	(2,473,503)	-	(2,473,503)	(2,283,142)
NET CURRENT ASSETS		616,940	457,148	1,074,088	1,000,125
TOTAL ASSETS LESS CURRENT LIABILITIES		11,380,909	2,341,858	13,722,767	11,470,373
CREDITORS					
Amounts falling due after more than one year	18	(375,000)	-	(375,000)	(375,000)
NET ASSETS		11,005,909	2,341,858	13,347,767	11,095,373
FUNDS	19				
Unrestricted funds				11,005,909	8,890,624
Restricted funds				2,341,858	2,204,749
TOTAL FUNDS				13,347,767	11,095,373

The notes form part of these financial statements

continued...

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 07 September 2021 and were signed on its behalf by:

.....
P O'Mara - Trustee

.....
D Smith - Trustee

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	2,212,412	300,156
Net cash provided by operating activities		2,212,412	300,156
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(2,300,627)
Purchase of fixed asset investments		(2,006,779)	(10,112)
Sale of fixed asset investments/property		320,300	1,342,089
Interest received		2,964	2,100
Dividends received		6,988	6,451
Net cash used in investing activities		(1,676,527)	(960,099)
Change in cash and cash equivalents in the reporting period		535,885	(659,943)
Cash and cash equivalents at the beginning of the reporting period		2,834,616	3,494,559
Cash and cash equivalents at the end of the reporting period		3,370,501	2,834,616

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	2,252,394	639,983
Adjustments for:		
Depreciation charges	147,206	101,192
Gain on investments	(639,158)	(538,461)
Interest received	(2,964)	(2,100)
Dividends received	(6,988)	(6,451)
(Increase)/decrease in stocks	(10,587)	2,903
Decrease/(increase) in debtors	282,148	(174,869)
Increase in creditors	190,361	277,959
Net cash provided by operations	2,212,412	300,156

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank and in hand	2,834,616	535,885	3,370,501
	2,834,616	535,885	3,370,501
Total	2,834,616	535,885	3,370,501

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'Is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Costs are allocated on an activity basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Investments
Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

continued...

1. ACCOUNTING POLICIES - continued

Investments
Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

continued...

1. ACCOUNTING POLICIES - continued

Leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	5,575,811	5,424,397
Gift aid	651,410	603,610
Legacies	2,261,820	277,540
	8,489,041	6,305,547

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Sales from publishing division	32,969	53,795

4. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	140,123	162,225
Dividends received	6,988	6,451
Deposit account interest	2,964	2,100
	150,075	170,776

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Guardian's Resting Place	Guardian's Resting Place	218,536	184,833
Schools	Schools	380	197,923
Plot fees	Plot fees	110,381	-
		329,297	382,756

6. RAISING FUNDS

Other trading activities

	2020 £	2019 £
Purchases of literature for resale	57,131	52,423

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
International funds	4,945,467	536	4,946,003
Guardian's Resting Place	64,707	-	64,707
Conferences	74	-	74
Schools	1,022	-	1,022
Regional activities - teaching and training	489,398	-	489,398
Community development	31,372	-	31,372
Organisation of community activities	66,029	639,299	705,328
External affairs	131,167	-	131,167
Property costs	459,314	-	459,314
Depreciation	147,206	-	147,206
Auditors remuneration	-	14,534	14,534
Local Spiritual Assemblies	194,019	-	194,019
Deputisation	146,871	-	146,871
	6,676,646	654,369	7,331,015

continued...

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
International funds	-	536	-	536
Organisation of community activities	461,983	169,460	7,856	639,299
Auditors remuneration	-	-	14,534	14,534
	461,983	169,996	22,390	654,369

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	14,534	15,500
Depreciation - owned assets	147,206	101,192
Other operating leases	1,400	3,431

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year £Nil (2019: £6,000) was paid to F Meehan. This is permitted by the governing document of the charity.

Trustees' expenses

During the year 3 trustees (2019: 5), being directors of the charitable company, received £4,300 (2019: £11,838) for reimbursement of expenses.

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,042,538	875,695
Social security costs	90,725	73,118
Other pension costs	75,923	63,887
	1,209,186	1,012,700

The average monthly number of employees during the year was as follows:

	2020	2019
Employed staff	44	43

No employees received emoluments in excess of £60,000.

continued...

12. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2020 and 31 December 2020	7,404,267
DEPRECIATION	
At 1 January 2020	1,970,560
Charge for year	147,206
At 31 December 2020	2,117,766
NET BOOK VALUE	
At 31 December 2020	5,286,501
At 31 December 2019	5,433,707

Included in cost or valuation of land and buildings is freehold land of £44,000 (2019 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

	Cost	Depreciation	NBV on historical cost basis	NBV based on revalued amounts
	£	£	£	£
Rutland Gate, London	735,744	500,307	235,437	2,268,000
3 Langdale Road, Liverpool	36,952	18,492	18,460	86,800
Willow Island (land)	500	-	500	8,000
Wideford Hill, St Ola, Orkney Isles (land)	500	-	500	36,000
	773,696	518,799	254,897	2,398,800

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

continued...

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2020	2,366,541
Additions	2,006,779
Disposals	(358,908)
Revaluations	677,766
At 31 December 2020	4,692,178
NET BOOK VALUE	
At 31 December 2020	4,692,178
At 31 December 2019	2,366,541

There were no investment assets outside the UK.

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	2,670,000
NET BOOK VALUE	
At 31 December 2020	2,670,000
At 31 December 2019	2,670,000

A valuation of the charity's main investment property was obtained on 18 May 2018 by Durlings Chartered Surveyors. The trustees believe that still reflects the fair value at the year end.

15. STOCKS

	2020 £	2019 £
Stocks	73,337	62,750

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	32,955	53,872
VAT	1,102	635
Prepayments and accrued income	69,696	331,394
	103,753	385,901

continued...

17. *CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR*

	2020	2019
	£	£
Trade creditors	55,691	128,081
Social security and other taxes	-	2,484
Other creditors	58,809	50,737
Funds held for others	2,319,997	2,061,508
Accruals and deferred income	39,006	40,332
	2,473,503	2,283,142

Included within Funds held for others are amounts received on behalf of other organisations or individuals. Receipts for the year totalled £4,250,810, payments for the year totalled £3,917,997 and adjustments were £74,324.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Funds held for others	375,000	375,000

continued...

19. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	2,349,938	(372,176)	(154,068)	1,823,694
Social Action Fund	5,282	290	-	5,572
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Growth fund	36,115	2,257,908	(122,000)	2,172,023
Revaluation	2,143,376	-	(74,927)	2,068,449
Guardian's Resting Place	306,459	117,600	(44,577)	379,482
UK Temple Fund - Designated Fund	500,000	111,941	-	611,941
Belfast Temple Funds	83,820	7,428	-	91,248
Belfast Centre Fund	163,851	(27,788)	233,315	369,378
Residential Centre reserve	2,051,783	58,625	(99,661)	2,010,747
Edinburgh Centre	-	(4,970)	4,970	-
Royal York Crescent	-	111,196	2,669	113,865
Faroes Centre Fund	-	-	109,510	109,510
	8,890,624	2,260,054	(144,769)	11,005,909
Restricted funds				
Deputisation	128,227	(122,818)	-	5,409
UK Temple Fund	630,298	108,126	-	738,424
Guardian's Resting place	910,871	153,829	-	1,064,700
Paul Malcolm Booth Fund	5,634	480	-	6,114
Baha'i Institute of Higher Education	40	5,591	-	5,631
Faroes Centre Fund	272,294	(879)	-	271,415
Residential Centre reserve	248,844	(107,838)	102,861	243,867
Department of Health	7,539	(1,241)	-	6,298
National Spiritual Assemblies overseas	1,002	(1,002)	-	-
Royal York Crescent Apartment	-	(41,908)	41,908	-
	2,204,749	(7,660)	144,769	2,341,858
TOTAL FUNDS	11,095,373	2,252,394	-	13,347,767

continued...

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,133,147	(2,808,137)	302,814	(372,176)
Social Action Fund	290	-	-	290
Growth fund	2,181,675	(45,297)	121,530	2,257,908
Guardian's Resting Place	8,629	-	108,971	117,600
UK Temple Fund - Designated Fund	11,773	-	100,168	111,941
Belfast Temple Funds	1,753	-	5,675	7,428
Belfast Centre Fund	1,675	(29,463)	-	(27,788)
Residential Centre reserve	99,661	(41,036)	-	58,625
Edinburgh Centre	25	(4,995)	-	(4,970)
Royal York Crescent	111,196	-	-	111,196
	4,549,824	(2,928,928)	639,158	2,260,054
Restricted funds				
Deputisation	24,053	(146,871)	-	(122,818)
UK Temple Fund	108,126	-	-	108,126
Guardian's Resting place	218,536	(64,707)	-	153,829
Paul Malcolm Booth Fund	480	-	-	480
Baha'i Institute of Higher Education	47,950	(42,359)	-	5,591
International Funds	3,780,576	(3,780,576)	-	-
Faroes Centre Fund	-	(879)	-	(879)
Residential Centre reserve	45,318	(153,156)	-	(107,838)
Department of Health	-	(1,241)	-	(1,241)
Local Spiritual Assemblies	194,019	(194,019)	-	-
National Spiritual Assemblies overseas	26,284	(27,286)	-	(1,002)
Royal York Crescent Apartment	6,216	(48,124)	-	(41,908)
	4,451,558	(4,459,218)	-	(7,660)
TOTAL FUNDS	9,001,382	(7,388,146)	639,158	2,252,394

continued...

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted funds				
General fund	2,615,667	(340,656)	74,927	2,349,938
Social Action Fund	5,042	240	-	5,282
Property maintenance fund	332,565	17,435	-	350,000
General reserve	900,000	-	-	900,000
Growth fund	2,022,114	65,784	(2,051,783)	36,115
Revaluation	2,218,303	-	(74,927)	2,143,376
Guardian's Resting Place - Designated Fund	306,459	-	-	306,459
UK Temple Fund - Designated Fund	500,000	-	-	500,000
Belfast Temple Funds	175,000	8,820	(100,000)	83,820
Belfast Centre Fund	66,399	(2,548)	100,000	163,851
Residential Centre reserve	-	-	2,051,783	2,051,783
	9,141,549	(250,925)	-	8,890,624
Restricted funds				
Deputisation	97,419	30,808	-	128,227
UK Temple Fund	155,237	475,061	-	630,298
Cambridge Centre	110,223	(110,223)	-	-
Guardian's Resting place	769,665	141,206	-	910,871
Oxford Centre	74,279	(74,279)	-	-
Shetland Centre	99,199	(99,199)	-	-
Paul Malcolm Booth Fund	7,819	(2,185)	-	5,634
Baha'i Institute of Higher Education	-	40	-	40
Faroes Centre Fund	-	272,294	-	272,294
Residential Centre reserve	-	248,844	-	248,844
Department of Health	-	7,539	-	7,539
National Spiritual Assemblies overseas	-	1,002	-	1,002
	1,313,841	890,908	-	2,204,749
TOTAL FUNDS	10,455,390	639,983	-	11,095,373

continued...

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,729,550	(2,420,133)	349,927	(340,656)
Social Action Fund	240	-	-	240
Property maintenance fund	683	-	16,752	17,435
Growth fund	43,084	(50,000)	72,700	65,784
Belfast Temple Funds	775	-	8,045	8,820
Belfast Centre Fund	2,600	(3,488)	(1,660)	(2,548)
	1,776,932	(2,473,621)	445,764	(250,925)
Restricted funds				
Deputisation	30,808	-	-	30,808
UK Temple Fund	444,940	-	30,121	475,061
Cambridge Centre	2,753	(118,109)	5,133	(110,223)
Guardian's Resting place	212,366	(120,628)	49,468	141,206
Oxford Centre	1,899	(79,593)	3,415	(74,279)
Shetland Centre	2,538	(106,297)	4,560	(99,199)
Paul Malcolm Booth Fund	405	(2,590)	-	(2,185)
Edinburgh Fund	28,105	(28,105)	-	-
Baha'i Institute of Higher Education	59,932	(59,892)	-	40
International Funds	3,507,043	(3,507,043)	-	-
Faroes Centre Fund	272,294	-	-	272,294
Residential Centre reserve	256,650	(7,806)	-	248,844
Derby Mulifaith Project	360	(360)	-	-
Department of Health	9,845	(2,306)	-	7,539
Local Spiritual Assemblies	195,837	(195,837)	-	-
National Spiritual Assemblies overseas	110,167	(109,165)	-	1,002
	5,135,942	(4,337,731)	92,697	890,908
TOTAL FUNDS	6,912,874	(6,811,352)	538,461	639,983

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The General Reserve is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

continued...

19. MOVEMENT IN FUNDS - continued

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The National Spiritual Assemblies fund represents funds received for National Spiritual Assemblies overseas.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'ís Health Care Chaplaincy Support Project.

The Edinburgh fund has been established for the refurbishment and upkeep of the property.

Transfers between funds

The transfers between funds represent the reallocation of general funds to support an overspend on restricted funds and the reallocation of designated funds by Trustees.

continued...

20. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,923 (2019: £50,645).

21. RELATED PARTY DISCLOSURES

During the year R Weinberg and D Smith, Trustees, charged £6,234 (2019: £35,725) and £6,000 (2019: £6,000) respectively to the charity in respect of consultancy services provided.

During the year, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £28,245 (2019: £23,382).

Included in funds held for others at the year end is £392,111 (2019: £399,597) relating to funds that are held as agents on behalf of Afnan Library Trust. The spouses of two trustees and the National Spiritual Assembly of the Baha'is of the United Kingdom are trustees of the Afnan Library Trust.

22. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	118,000	196,059
Between on and five years	177,935	354,354
In more than five years	54,000	81,000
	349,935	631,413