

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**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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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:



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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.

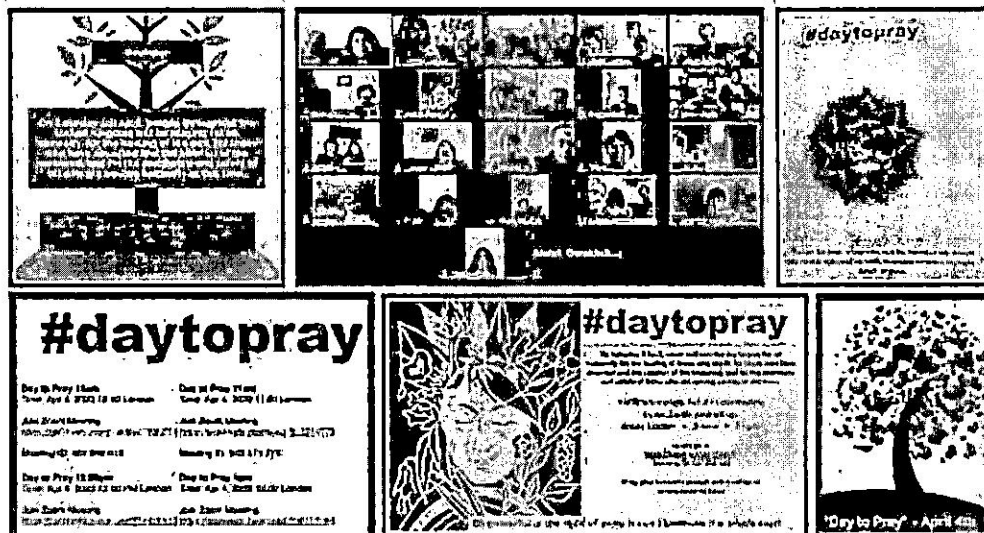
(The Universal House of Justice, 29 December 2015, To the Conference of the Continental Boards of Counsellors)

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.



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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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.

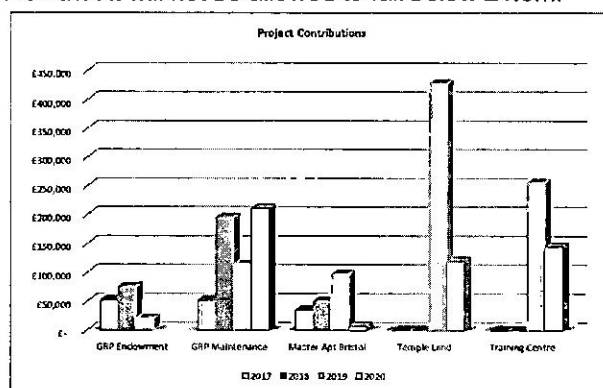
Throughout 2020, the National Spiritual Assembly invited the friends to attend online deepening sessions, focussing on raising consciousness of two spiritual principles: sacrifice and universal participation. The deepening was offered across all regions and cluster and, although the numbers of participants 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.

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**REPORT OF THE TRUSTEES
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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.

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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

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 known 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.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL SPIRITUAL ASSEMBLY OF THE
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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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL SPIRITUAL ASSEMBLY OF THE
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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	<u>2,129,063</u>	<u>540,937</u>	<u>2,670,000</u>	<u>2,670,000</u>
		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		<u>2,913,353</u>	<u>457,148</u>	<u>3,370,501</u>	<u>2,834,616</u>
		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		<u>616,940</u>	<u>457,148</u>	<u>1,074,088</u>	<u>1,000,125</u>
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		<u>11,005,909</u>	<u>2,341,858</u>	<u>13,347,767</u>	<u>11,095,373</u>
FUNDS	19				
Unrestricted funds				11,005,909	8,890,624
Restricted funds				<u>2,341,858</u>	<u>2,204,749</u>
TOTAL FUNDS				<u>13,347,767</u>	<u>11,095,373</u>

The notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2020**

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

The notes form part of these financial statements

**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	<u>2,212,412</u>	<u>300,156</u>
Net cash provided by operating activities		<u>2,212,412</u>	<u>300,156</u>
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		<u>6,988</u>	<u>6,451</u>
Net cash used in investing activities		<u>(1,676,527)</u>	<u>(960,099)</u>
Change in cash and cash equivalents in the reporting period		<u>535,885</u>	<u>(659,943)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,834,616</u>	<u>3,494,559</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,370,501</u></u>	<u><u>2,834,616</u></u>

The notes form part of these financial statements

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

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<u>190,361</u>	<u>277,959</u>
Net cash provided by operations	<u><u>2,212,412</u></u>	<u><u>300,156</u></u>

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	<u>2,834,616</u>	<u>535,885</u>	<u>3,370,501</u>
	<u>2,834,616</u>	<u>535,885</u>	<u>3,370,501</u>
Total	<u><u>2,834,616</u></u>	<u><u>535,885</u></u>	<u><u>3,370,501</u></u>

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

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

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.

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

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

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.

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

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

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	<u>2,261,820</u>	<u>277,540</u>
	<u>8,489,041</u>	<u>6,305,547</u>

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Sales from publishing division	<u>32,969</u>	<u>53,795</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	140,123	162,225
Dividends received	6,988	6,451
Deposit account interest	<u>2,964</u>	<u>2,100</u>
	<u>150,075</u>	<u>170,776</u>

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

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

5. INCOME FROM CHARITABLE ACTIVITIES

		2020 £	2019 £
Guardian's Resting Place	Guardian's Resting Place	218,536	184,833
Schools	Schools	380	197,923
Plot fees	Plot fees	<u>110,381</u>	<u>-</u>
		<u>329,297</u>	<u>382,756</u>

6. RAISING FUNDS

Other trading activities

	2020 £	2019 £
Purchases of literature for resale	<u>57,131</u>	<u>52,423</u>

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	<u>146,871</u>	<u>-</u>	<u>146,871</u>
	<u>6,676,646</u>	<u>654,369</u>	<u>7,331,015</u>

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

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

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
	<u>461,983</u>	<u>169,996</u>	<u>22,390</u>	<u>654,369</u>

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	<u>1,400</u>	<u>3,431</u>

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	<u>75,923</u>	<u>63,887</u>
	<u>1,209,186</u>	<u>1,012,700</u>

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

	2020	2019
Employed staff	<u>44</u>	<u>43</u>

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

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

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

12. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2020 and 31 December 2020	<u>7,404,267</u>
DEPRECIATION	
At 1 January 2020	1,970,560
Charge for year	<u>147,206</u>
At 31 December 2020	<u>2,117,766</u>
NET BOOK VALUE	
At 31 December 2020	<u>5,286,501</u>
At 31 December 2019	<u>5,433,707</u>

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
Widford Hill, St Ola, Orkney Isles (land)	<u>500</u>	<u>-</u>	<u>500</u>	<u>36,000</u>
	<u>773,696</u>	<u>518,799</u>	<u>254,897</u>	<u>2,398,800</u>

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

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

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

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2020	2,366,541
Additions	2,006,779
Disposals	(358,908)
Revaluations	<u>677,766</u>
At 31 December 2020	<u>4,692,178</u>
NET BOOK VALUE	
At 31 December 2020	<u>4,692,178</u>
At 31 December 2019	<u>2,366,541</u>

There were no investment assets outside the UK.

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	<u>2,670,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,670,000</u>
At 31 December 2019	<u>2,670,000</u>

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	<u>73,337</u>	<u>62,750</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	32,955	53,872
VAT	1,102	635
Prepayments and accrued income	<u>69,696</u>	<u>331,394</u>
	<u>103,753</u>	<u>385,901</u>

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

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

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	<u>39,006</u>	<u>40,332</u>
	<u>2,473,503</u>	<u>2,283,142</u>

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	<u>375,000</u>	<u>375,000</u>

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

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

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	<u>11,095,373</u>	<u>2,252,394</u>	<u>-</u>	<u>13,347,767</u>

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

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

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
	<u>4,549,824</u>	<u>(2,928,928)</u>	<u>639,158</u>	<u>2,260,054</u>
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)	-	-
Faroos 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)
	<u>4,451,558</u>	<u>(4,459,218)</u>	<u>-</u>	<u>(7,660)</u>
TOTAL FUNDS	<u>9,001,382</u>	<u>(7,388,146)</u>	<u>639,158</u>	<u>2,252,394</u>

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

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

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	<u>10,455,390</u>	<u>639,983</u>	<u>-</u>	<u>11,095,373</u>

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

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

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	<u>2,600</u>	<u>(3,488)</u>	<u>(1,660)</u>	<u>(2,548)</u>
	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)	-	-
Faroos 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	<u>110,167</u>	<u>(109,165)</u>	<u>-</u>	<u>1,002</u>
	<u>5,135,942</u>	<u>(4,337,731)</u>	<u>92,697</u>	<u>890,908</u>
TOTAL FUNDS	<u><u>6,912,874</u></u>	<u><u>(6,811,352)</u></u>	<u><u>538,461</u></u>	<u><u>639,983</u></u>

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.

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

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

19. MOVEMENT IN FUNDS - continued

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

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

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

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 one and five years	177,935	354,354
In more than five years	<u>54,000</u>	<u>81,000</u>
	<u>349,935</u>	<u>631,413</u>